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FINANCIAL TIMES

No. 26,967 Wednesday May 12 1976 *10p

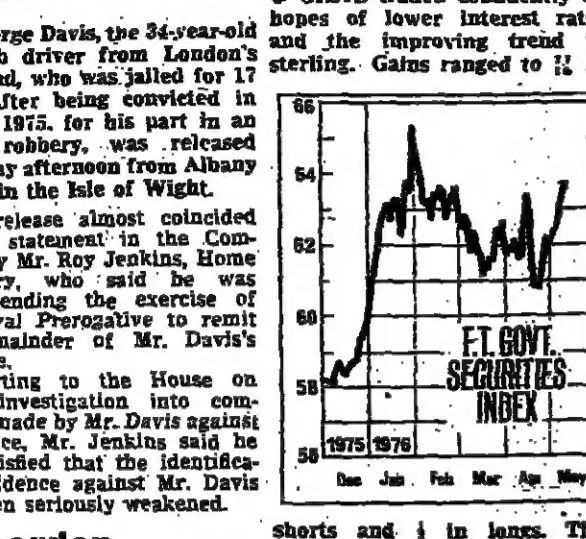
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NEWS SUMMARY

George Davis leaves jail
George Davis, the 34-year-old cab driver from London's East, who was jailed for 17 months for his part in a robbery, was released yesterday afternoon from Albany in the Isle of Wight.

Release almost coincided
The release almost coincided with the 17th anniversary of the robbery, which was committed by Mr. Davis and his co-conspirator, Mr. Roy Jenkins, Home Secretary, who said he was mending the exercise of royal prerogative to remit the remainder of Mr. Davis's sentence.

Investigation into
Investigation into the case was made by Mr. Davis against Mr. Jenkins, who said he was satisfied that the identification evidence against Mr. Davis was seriously weakened.



Parliament, Page 16
added: "My conclusions... the shift in the balance of power in the case are such that it would not be right for Davis to remain in prison longer." There was not, however, enough evidence for a free release.

Mr. Davis's innocence
Mr. Davis's innocence in the case, among the digging-up of the wicket Headingley cricket ground, is sustained.

IC to study
The Socialist members of the House of Commons had urged the EEC Commission to investigate the extent of the "unfair" practice within the Community by multinational companies. M. Albert Borcherde, a Socialist member, said the Commission should be asked to study the practice of multinational companies in the Community.

Multiple life
Five Irishmen accused at Manchester Crown Court of conspiracy to murder and cause explosions, attempted murder, possession of arms and explosives, were yesterday found guilty on all charges and jailed for multiple life terms.

tradition move
The Irish Republic's district court granted an order for the extradition of two men who had been arrested in Northern Ireland last week.

300m. quake aid
Some more mild tremors were recorded in north-east Italy, but no damage was done. The area of southern Italy, where Italian Government aid of £130m. to assist rebuilding, is still recovering from the effects of the earthquake.

Island back
Anthony Crosland, Foreign Secretary, arrived back in London last night after his five-day visit to Japan. Page 4.

Clipp post
Cudlipp, a former chair of the International Publishers Association, is to advise the Government on the presentation of the International Publishers Association at the end of the Prime Minister.

voy murdered
Joaquin Zenteno Anaya, an ambassador in Paris, shot dead near his embassy yesterday. Page 5.

efly...
He Chaplin's 36-year-old film on Europe's dictators—The Dictator—has been used in Spain.

Grimond considers second plea to lead the Liberals

By PHILIP RAWSTORNE

Mr. Jo Grimond, who resigned the Liberal leadership nine years ago, was "seriously considering" last night a pressing invitation from the party to return to lead it into the next General Election.

Liberal MPs, peers and senior party officials issued their unanimous recall to the Liberal elder statesman at a meeting at the Commons. Mr. Grimond will announce his decision to-day.

It was disclosed last night that first approaches to him had been made a few weeks ago—before Mr. Jeremy Thorpe had decided to quit—by Mr. John Pardo, Mr. David Steel and Mr. Emlyn Hooson, three potential candidates for the leadership.

Their advances, made with the support of other Liberal MPs, were rejected by Mr. Grimond. But after yesterday's meeting, Liberal MPs considered it highly unlikely that their offer would be refused again.

Messages
Mr. Richard Wainwright, MP for Colne Valley, cleared yesterday of charges of breaking a party agreement by his challenge to Mr. Thorpe's leadership which finally forced the leadership issue, said: "It was a most enthusiastic and positive invitation and it goes without saying that it was an invitation to take the leadership for as long as he wants it."

"No-one even mentioned the words 'temporary' or 'caretaker' for many of us it represents something we have wanted for a long time."

The Commons meeting had been called to sort out procedures for electing Mr. Thorpe's successor. But the moves to bring back Mr. Grimond gathered strength earlier in the day in informal talks between the party's MPs.

Messages from constituencies, in addition to criticisms of the way in which Mr. Thorpe had been pushed into resignation, reinforced demands for Mr. Grimond's return.

Almost as soon as the meeting opened, Mr. Cyril Smith, former Chief Whip, proposed that a second term of office should be offered without strings to the architect of the party's short-lived revival in the 1960s. The offer was strongly pressed on Mr. Grimond by Mr. Hooson who had spent 30 minutes trying to persuade him privately to accept.

Mr. Grimond, he told the meeting, had the experience, talent and ability to unite the party and to give it the kind of intellectual leadership it needed to strengthen its position in the country.

He would inherit a party which was much better organised and equipped than it had been in his years as leader from 1956 to 1967 and was poised to seize the opportunity that the political situation offered.

Mr. Pardo, Mr. Steel and the other Liberal MPs added their backing as did the Liberal peer Lord Byers, the party's president.

Mr. Margaret Winfield and chairman, Mr. Kenneth Vaux.

Mr. Grimond was reported to have been diffident at first and to have raised questions about his age—he is 62—and about the wisdom of a comeback. But, under the unanimous and repeated pledges of support from the MPs, he agreed to consider the offer and announce his decision at a party meeting to-day.

Mr. Alan Beith, Liberal Chief Whip, said last night that there had been no recommitments at the meeting over Mr. Thorpe's departure and it had been made clear to Mr. Grimond that he was wanted "for his intellectual stimulation rather than as a healer of wounds."

Syrians agree to talks on Sinai pact with Egypt

By LOUIS FARES

SYRIA announced to-day that it will review the Sinai disengagement agreement with Egypt and Arab League members. The Prime Minister of Syria, Mr. Hafez Assad, said that the agreement was "a step towards the settlement of the dispute between Syria and Egypt."

The Foreign Ministers of Saudi Arabia and Kuwait ended a two-day visit to Damascus on Monday after discussions with President Hafez Assad. When Mr. Assad agreed to send his Prime Minister to Egypt to put the final touches to the meeting, it is believed that the meeting was on the agenda of the talks King Hussein of Jordan had in Damascus during his three-day visit to the Syrian capital at the weekend.

Damascus held that the small amount of territory Egypt regained was more than offset by the non-belligerence provisions of the agreement. It is already deeply involved in the Lebanon crisis and may be on the point of large-scale military intervention there. Partly because of the crisis, it has been facing some economic difficulties.

In the circumstances, it may have been difficult to resist the Saudi and Kuwaiti offer, which may well have been accompanied by some financial pressure, since both countries are big contributors to Syria.

There may well have been influence on Egypt, too, which is considerably more vulnerable to economic pressure because of its deep-seated problems.

Mr. Assad must ensure that Syria maintains its tacit acquiescence in the Lebanon policy, a factor which is becoming more important as the renewal of the mandate of the UN Disengagement Observer Force, which falls due at the end of the month, comes closer.

Last November, Syria delayed renewing the mandate, which runs for six months, until the very last minute, obtaining as a major concession a UN Security Council debate on the whole issue of Palestinian rights.

A motion expressing support for the Palestinians was vetoed by the U.S. and President Assad has since been trying to find a new Middle East strategy.

He may well feel that a realignment of Arab States could produce a different bargaining position and lead to new talks on solving the Middle East problem.

But it is uncertain how much progress can be made at the Prime Ministers' meeting. The gap between the two sides remains wide.

Middle East news Page 5
Editorial Comment Page 18

Press freedom row revives
THE "Press freedom" controversy involving journalists in the Barnsley area was revived yesterday when the controlling Labour group on South Yorkshire County Council agreed to give full information only to members of the National Union of Journalists.

This new development in the Barnsley situation, which the National Union of Journalists has consistently maintained is an industrial issue and not a challenge to Press freedom, came as a surprise to the Labour group, which has been working for the National Union of Journalists.

The South Yorkshire Labour group took its decision by 40-6, with 12 abstentions. Councillor John Driver, group secretary, said that while his members regarded the TUC-affiliated NUJ as an accredited trade union, the rival Institute of Journalists, which is not part of the TUC, was "what we would call a bosses' union."

Journalists belonging to the Institute would get all the information which would be available normally to the general public, but the council would be prepared to expand and explain its business only to NUJ members.

The controversy arose in January when the Barnsley branch of the NUJ wrote to local Labour Party and trade union organisations informing them that four Barnsley Chronicle journalists, former NUJ members, now belonged to the Institute and asking for this to be considered when dealing with them.

A similar appeal subsequently came from the Sheffield branch of the NUJ. The South Yorkshire County Council is the largest Labour organisation to have agreed to differentiate between NUJ and Institute members.

The NUJ executive has twice considered and endorsed the action of its Yorkshire members and last month the union's conference supported Barnsley and urged other offices to take similar action.

There are indications that the practice of Labour organisations "blacklisting" non-NUJ members may spread. Oxford and district Continued on back page

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ICI likely to seek record £200m.

By MARGARET REID

IMPERIAL CHEMICAL Industries is expected this morning to launch a rights issue to raise about £200m—the largest share issue ever made in London.

According to City belief last night, ICI, which is Britain's biggest industrial group, will offer its shareholders one new share at some 330p, for every eight now held. This compares with yesterday's closing price of 300p, up 10p.

The ICI cash-raising operation has been widely rumoured over the past few days, though estimates as to its timing, and the size and terms of the issue have varied.

It is expected that ICI, which is headed by Mr. Rowland Wright, will be allowed by the Treasury to forecast a dividend increase in the current year of more than the normal limit of 10 per cent—perhaps as much as 20 per cent.

Permission to increase dividend payments by more than the 10 per cent, which is the general ceiling under the Companies Act, has been widely given by the Treasury in recent months to facilitate the raising of cash by companies for new investment.

With an offer of such a magnitude as that anticipated from ICI, a "sweetener" of this nature would clearly be appropriate.

Proceeds of the issue will go towards financing ICI's capital outlays, which Mr. Wright recently predicted would be more than £400m. in 1976 on fixed assets and working capital. In addition, the group expects to spend more than £50m. this year on the Ninian North Sea oilfield. In 1975, expenditure on fixed assets totalled £304m.

ICI's record-breaking issue will further substantially lift the total of some £1,600m. which companies have raised by rights issues since February last year.

Hitherto, the biggest rights issue has been British Petroleum's £125m. in 1971, though some half of that was subscribed for by the Government.

Pledges
The party's MPs indicated that none of them would contest a leadership election against Mr. Grimond and that when the new procedures for elections were established they would be used merely to ratify his recall to the post.

But, if he refuses the leadership to-day, the Parliamentary party, in consultation with the Liberal Party, will decide what rules should be adopted for an early election of a leader.

News Analysis Page 16

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A. Herbert loss totals £13.8m.

By KEITH LEWIS

ALFRED HERBERT, the machine tool group made losses of £13.8m. after tax, minority interests and exceptional items in the 14 months ending December 31, 1975. This compares with a loss of £5.7m. in the previous 12-month period.

This latest deficit takes a large bite out of the £25m. put up by the Government, first announced last July, and which became effective at the end of 1975. The money was injected into Herbert in the form of £15m. in equity capital and £10m. in loans. The Ordinary share capital is now wholly-owned by the National Enterprise Board.

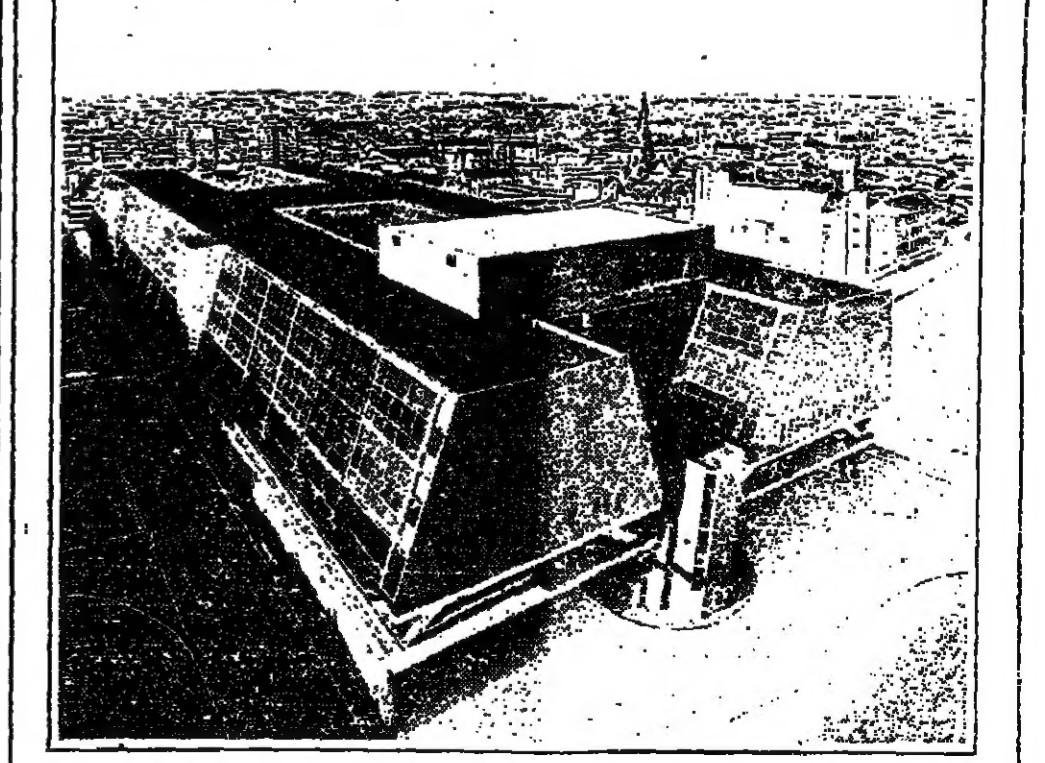
The latest loss—which follows £14.6m. of losses accumulated in the four preceding financial years—is revealed in the annual report and accounts. It is also shown that former managing director Mr. H. N. Raine and another director, Mr. R. J. Cattle, collected compensation payments for early termination of service agreements totalling £15,000; both agreements are believed to have had approximately four years left to run.

The loss before tax and exceptional items amounted to £5.7m. (for 14 months) against almost £3m. in the previous year. But exceptional items of £8.9m.—relating to stock losses from product rationalisation and redundancy payments—and the latest charges of £13.8m. (£13.8m.) were mainly responsible for the final figure of £13.8m.

The new management has made it clear that it has taken the most conservative view of its financial position and is in the process of clearing the decks for a new start.

Lex, Back Page

Northampton's storey on a bus station



Prestige offices of 200 000 sq ft, right in the centre of Northampton above the new bus station, will be completed and available for letting this year. The offices are built to a high specification and are fully air-conditioned. There is parking space for 200 vehicles immediately above the bus station, and the offices, planned around two open courtyards, are located on three floors above the parking level.

Northampton's new offices are nearer to London than many people think. Little more than an hour's journey up the M1 motorway, or a train journey of about 1 1/2 hours from Euston, puts you in the middle of Northampton's established town centre. It's near enough to make sense of keeping a small headquarters in London and decentralising the bulk of your activities. Think of the reduction in wear and tear on your staff when they no longer have to commute! Another reduction Northampton provides is in rent and rates. They are only a fraction of those in London! If you seize the opportunity Northampton offers, and move now, you will be at the winning post while everyone else is under starters' orders. Give yourself a head start over your competition and be well prepared for the future.

Write for details about this and other offices to our Chief Estate Surveyor, I. Austin-Crowe BSc FRICS, at Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone him at 0604 34734.

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LOMBARD

Victims of the 'irresistible'

BY C. GORDON TETHER

WE ARE EXPECTED, I suppose, to be grateful for the fact that Dr. Emminger, the deputy-governor of the German central bank, has pinned his imprimatur on the steps that are being taken to sort out the British economic mess—though one should always remember that, however well intentioned they may be, foreigners inevitably find it difficult to resist being more mindful of their own or international interests than those of the home side when pronouncing on other countries' behaviour.

However, the main point I want to make is that there was something that has much greater relevance to the situation in which we find ourselves than the pat on the British back in the comments Dr. Emminger was making over the week-end about the recent experience of the lira. It is the contention that they have both been reduced to unjustifiably low levels by forces which "no power on earth could control."

No control

It has long been evident that, owing to the tremendous increase in the scope for heavy-weight currency speculation provided by the global switch to floating rates and the unrestrained growth of Euro-currency markets, even major countries with large external reserves are now finding themselves unable to influence the behaviour of the most important element in their economic mix—the value of their currencies.

Indeed, the Rambouillet conference recognised this by drawing attention to the damaging effects of major movements in exchange rates for which there is no economic justification and by arranging so it was thought up till now—greater central bank collaboration in stamping them out.

I say "up till now" because, according to Dr. Emminger's account, the Rambouillet initiative was mainly concerned with the relationship between the dollar and other major currencies. Since the dollar had been displaying "extraordinary stability" of late, there had been no need to activate it. As for the pound and the lira, well they had been driven down by "very deep-seated factors" and it would, therefore, have been "useless to put up billions of dollars to prevent their downward movement."

So there you have it. Two major currencies are forced down to absurdly low levels and

we are encouraged to believe that it makes as much sense to question an international monetary set-up that can perpetrate such monstrosities as it would do to complain about an act of God. And in this connection no one should be in a hurry to take on board the theme—also featured in the Emminger presentation—that having your currency cheapened to well below its true worth has to be seen as an immense blessing in disguise by virtue of its capacity for opening the door to "export-led recovery."

A drop in a currency to the level below that needed to keep exports reasonably competitive simply means that its terms of trade have been gratuitously weakened—or to put it in another way, that its people are going to have to work harder to support what is effectively paying tribute to other countries.

That automatically means that any difficulties it is experiencing in achieving external payments equilibrium and in promoting economic rehabilitation at home will be materially aggravated. And if you want a clear-cut instant demonstration of this inconvenient truth, you need look no further than the disclosure in yesterday's FT that the fall in the value of the £ is seen by Whitehall statisticians as having paid to the Government's plan to get the inflation rate down to single figures by the end of the year. There will be no need, I imagine, to elaborate on what that setback could mean for the economic rehabilitation programme.

A Brazilian buyer paid £8,500 for an oil on canvas by Johann Mauritz Rugendas, *Gauchos Lassoing a Steer*, and the same price for a similar painting by the same artist.

At Sotheby's in New Bond Street, a sale of European ceramics, including a Delft plaque, early 18th century, and the same buyer paid £1,500 for a globular Venetian jar of the 18th century.

At Malahide Castle, Co. Dublin, Christie's sale on behalf of the executors of the late Lord Talbot de Malahide continued with a picture session, which totalled £91,011. Every picture was sold. This sale, which is running for three days and was expected to total about £300,000, has already brought in more than £400,000.

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Henry Spencer's house sale in Sheffield, brought in £34,350.

RACING

Take Your Place may take it

WITH OVER TO YOU and Danestic having been switched from York to France for Sunday's Prix Lupin at Longchamp, the way seems clear for Take Your Place in today's £12,000 Mecca-Dante Stakes.

Henry Cecil's Observer Gold Cup winner never looked like catching Riboboy in Sandown's Classic Trial Stakes—three weeks ago, in which he was given every chance by his able jockey, Gianfranco Dettori.

Nevertheless, he kept on strongly to take second prize with those good colts Ormeley and Kafue Park comfortably held in third and fourth places.

With less to go here and improvement anticipated it will come as a surprise if he cannot regain winning form. I hope to see him consolidate his position as third favourite in the Derby betting in which he is now quoted at 10/1, two points behind Oats, by outpacing the progressive Frankie, a highly creditable fifth behind Willow in the 2,000 Guineas.

Half an hour before the Mecca-Dante Stakes it will be a surprise if Illustrations Prince and 2.00 Whinby 2.35 Illustrations Prince*** 3.00 Take Your Place 3.35 Zoroaster 4.05 Jumping Hill** 4.35 Raffle Set 5.05 Gold Chain

BRIGHTON 2.50 Flaming Temper 2.50 Palmerston 3.00 Chum-Chum 3.30 Prince Henham 4.00 Battlement 4.30 Blaskette*

Navigator do not dominate affairs in the 1 m 3 f Glasgow Stakes.

The first-named showed that a valuable prize was within his capabilities with an encouraging run in the Wood Ditton Stakes.

They achieved an unexpected success last year when the outsider Habes Corpus got up in the final stride to pip Domitor.

Even if they fail to take the £4,000 Glasgow Stakes with Navigator, Noel Murless and Lester Piggott—whose favourite course this is—should have few worries in the Hambleton Handicap.

After Jumping Hill will probably have an edge in fitness over Aviator.

BY DOMINIC WIGAN

BY MICHAEL THOMPSON-NOEL

Top price for Dead Chieftain

MOST of the excitement in the London art market yesterday was to be found at Sotheby's Belgravia where a sale of topographical paintings, watercolours, drawings, prints and bronzes of various countries totalled £74,818.

The top price was £7,500 paid by Sabin the London dealer, for Carl Wimar's melancholy oil painting, *Funeral Rite of a Dead Chieftain*, depicting the Red Indian chieftain being rowed down river by three braves into the sunset—a work from the collection of the late Emanuel Leutze, dated 1886, which fetched considerably more than its pre-sale estimate of £2,000-£3,000.

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GARDENS TO-DAY

A masterly Mogul

A WEEK of Indian heat in the garden has distressed the roses, dried out my newly planted violets and encouraged me to 921 tribute to one of the most attractive figures in this history of gardening. As he has also appeared more directly in Western readers than most other figures in the Islamic world, he deserves to be remembered in the year in which Bedouin tents have come close to the centre of Piccadilly.

Babur, the first Mogul Emperor, was born in 1483 in the small kingdom of Fergana, north-east of the River Oxus, the modern boundary between Afghanistan and the USSR. He died in 1530 in his Indian palace at Agra, having led an army equipped with the modern Western-style of cannon and the skill of Central Asian cavalry against the Sultan of Delhi and sundry rajahs of north India.

Babur was the first of the Mogul Emperors to rule over northern India. His life had begun in an extraordinary series of escapes, adventures and brief triumphs, aiming to no effect at the establishment of a kingdom based in Samarkand against the many princes whose families traced back to the circle of Timur, master of Samarkand and northern India some 80 years earlier. Babur was a Muslim, of a mixed Turkish and Mongol parentage which could be followed back to Genghis Khan as well as to Timur. Yet he wrote his autobiography in a concise classical Turkish style, describing his adventures since he was first recognised as a king at the age of twelve.

His autobiography is also a record of his gardens and their ordering, the most personal account of an interest in landscape, an accolade once belonging to the letters of Pliny in the first century A.D.

The art of gardening took root among the Mogul Emperors who succeeded him, resulting in the great terraced water-gardens of Shahjahan and the other summer retreats in Kashmir and the lower Himalayas, several of which can still be seen very nearly in their original design. Babur's own designs can only be followed now from his own writings and a few later miniatures in manuscripts. Here and there near Kabul and Agra there are signs of terracing or enclosed lines of trees which may perhaps remain in the sites of Islam's most poetic gardeners. But the record of his reactions is as remarkable as any results.

It is not surprising that a great gardener should have been born beyond the Oxus. The kingdom of Fergana was a small earthly paradise whose melons and apricots and grapes "as large as a sweet as a man's nipple" are in sharp contrast to the deserts of Turkestan beyond. The styles of gardening which had been familiar for centuries in Iran had long penetrated the courts of its rulers. Tamerlane had enjoyed a garden in Samarkand, and the setting of the death of Babur's father through the morning of Persian and Central Asian customs into curious relief.

Visiting a hillside fort in June 1493, the old man fell from the palace dove-cote and died: "from the palace buildings" as Babur puts it "my father then was in his house with his pigeons and his house and himself being a falcon." Before that a dead man's soul soars away as a bird had long been local to the Turkish tribes of Central Asia: here it surfaced again in the future Mogul emperors. But the pigeons house from which his father fell had deep roots in the old Persian style of gardening. Dove-cotes beside the enclosing wall of an old castle can still be seen in parts of Iran, summa of the handsomest garden buildings before the designs of Renaissance Italy. The pigeons, of course, were also prized as a source of quality manure for the "paradise gardens" inside.

Brought up a Muslim among those traditions of Persian gardening, Babur bears a fine witness to the style of which an Oriental garden was capable in the age when gardening histories' attention is more usually focused on Italy's Villa Lante and the western Renaissance. Babur writes admiringly of the 30 kinds of tulip which grew round Kabul or the texture of the melon of his native Akhsi. Cherries and sugar cane were introduced into Kabul to please the royal palate, one of history's persistent ways of diffusion. The same young man who had lived like a bandit, on near death from a sword or an enemy's bow, turned his grasp of detail and eye for landscape to the building of enclosed and terraced gardens from Kabul to Agra.

First trees, an enclosing wall, water, terracing and a taller background of evergreen trees, the rare natural gift to a gardener near the Himalayas: those were central to the formal style which Babur and his successors followed. Near Istanbul, now a poetry bazaar for Kabul's tourists, Babur found an earlier garden through which a mill-stream was running and ordered it to be made regular. "I enclosed the spring in stone-work, tea-cubits square, as befitted the water-tank which was the traditional centre of a

BY ROBIN LANI

A masterly Mogul

Muslim's garden and a symmetrical platform, as a side, so that the field of trees below could be seen by visitors. If, the way there is a place to be in the Garden of Fidelity, I do it." Matching Oleanders colours and setting a pattern beside an informal peep which he did not order. In the hills of Babur shared the family like of the hot brown northern India. His deferred. India intends to new wells and new raising water, as its own he was challenged to mark which he liked. A river Jumna by his future in Agra: in the hills of the looking; or possibly, and uttering words of a sultan's gusts and repulsions? garden had to be made notational water tanks; tamarind trees were ordered. In the choral disorderly India, plants were laid out symmetrical suitable borders, and in every corner—in over-roses and narcissi, two of wild flowers stood in affrontment. His court loved suit.

Traditions

Visiting a hillside fort in June 1493, the old man fell from the palace dove-cote and died: "from the palace buildings" as Babur puts it "my father then was in his house with his pigeons and his house and himself being a falcon." Before that a dead man's soul soars away as a bird had long been local to the Turkish tribes of Central Asia: here it surfaced again in the future Mogul emperors. But the pigeons house from which his father fell had deep roots in the old Persian style of gardening. Dove-cotes beside the enclosing wall of an old castle can still be seen in parts of Iran, summa of the handsomest garden buildings before the designs of Renaissance Italy. The pigeons, of course, were also prized as a source of quality manure for the "paradise gardens" inside.

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Relaxation

If you find this energy, I must point out the too enjoyed the gardeners and relaxation, drink wine which his religious, should have dried up, often ignoring the was of consumption. The scale appreciation of a "fruit tree in autumn whose levels stood in groups which no pains were spared to make on a day when the and lowers were decidedly for wine. But the super at least four great hard for the age of forty for his lighter into the Kings and military lead on. But by looking miniature paintings of Mogul successors, one some way to understand entirely culture from vi drew his inspiration. A own memoirs king and e are etched with their at the time of the inner souls or indivi colours are combined i carpet of a parterre while round the border margin of tulips, iris, n and others, the flowers in the dynasty's founder has shown such interest themes of this art of poli-tail and exactness so an to explain how a king, a precise embroiderer of a and a gardener could v been united in one person

TV Radio

† Indicates programme in black and white.
BBC 1
7.05 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. 3.01 For Schools, Colleges. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.35 Huckleberry.

F.T. CROSSWORD PUZZLE No. 3077

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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- ACROSS
- 1 Officer has no right to fuss concerning state of America (8)
 - 5 Lass chasing boys steps up! (6)
 - 9 Sprint ring Adamson made of fabric (8)
 - 10 Kind of blue horse with height briefly added (8)
 - 11 Shows Pluto lots of drama (8)
 - 12 Walk by the way to register (6)
 - 14 Happen to recover permit (4, 2, 4)
 - 18 Turn round when bell ringing stops (6, 4)
 - 22 Change two sets of deadly dy (6)
 - 23 Destruction of chance given to generation (8)
 - 24 Journey to West-end with composer (6)
 - 25 Hesitate to keep footballer in custody (4, 5)
 - 26 Copper with daughter led astray by embrace (6)
 - 27 Floating ribbon in ship is about right (8)
- DOWN
- 1 Buffalo Bill puts me in farce (8)
 - 2 Harpist of old left before try is upset (6)
 - 3 Remember to drop in again (6)
 - 4 Home help has a number of regular exercises (5, 5)
 - 6 Notice right to purchase during takeover (8)
 - 7 Middle-East interpreter lets doctor have a go at chap (8)
 - 8 Cruel being without Old Testament book (8)
 - 10 Lower part to novice (10)
 - 15 Very happy to find city district at rest (8)
 - 16 It could be Jack having to oppose eccentric (4, 4)
 - 17 Kind of paint that could be cracked by breakfast (3-5)
 - 19 Club porter sees blackguard depart (6)
 - 20 Fiery weapon gets no Scots prize for excellence (6)
 - 21 Cup awarded to magistrate by the Queen (8)

- 12.00 Weather/Regional News. All Regions as BBC 1 except at the following times: 12.00-12.15 p.m. Tuku, the Eskimo Boy. 12.15-12.30 p.m. Tuku, the Eskimo Boy. 12.30-12.45 p.m. Tuku, the Eskimo Boy. 12.45-1.00 p.m. Tuku, the Eskimo Boy. 1.00-1.15 p.m. Tuku, the Eskimo Boy. 1.15-1.30 p.m. Tuku, the Eskimo Boy. 1.30-1.45 p.m. Tuku, the Eskimo Boy. 1.45-2.00 p.m. Tuku, the Eskimo Boy. 2.00-2.15 p.m. Tuku, the Eskimo Boy. 2.15-2.30 p.m. Tuku, the Eskimo Boy. 2.30-2.45 p.m. Tuku, the Eskimo Boy. 2.45-3.00 p.m. Tuku, the Eskimo Boy. 3.00-3.15 p.m. Tuku, the Eskimo Boy. 3.15-3.30 p.m. Tuku, the Eskimo Boy. 3.30-3.45 p.m. Tuku, the Eskimo Boy. 3.45-4.00 p.m. Tuku, the Eskimo Boy. 4.00-4.15 p.m. Tuku, the Eskimo Boy. 4.15-4.30 p.m. Tuku, the Eskimo Boy. 4.30-4.45 p.m. Tuku, the Eskimo Boy. 4.45-5.00 p.m. Tuku, the Eskimo Boy. 5.00-5.15 p.m. Tuku, the Eskimo Boy. 5.15-5.30 p.m. Tuku, the Eskimo Boy. 5.30-5.45 p.m. Tuku, the Eskimo Boy. 5.45-6.00 p.m. Tuku, the Eskimo Boy. 6.00-6.15 p.m. Tuku, the Eskimo Boy. 6.15-6.30 p.m. Tuku, the Eskimo Boy. 6.30-6.45 p.m. Tuku, the Eskimo Boy. 6.45-7.00 p.m. Tuku, the Eskimo Boy. 7.00-7.15 p.m. Tuku, the Eskimo Boy. 7.15-7.30 p.m. Tuku, the Eskimo Boy. 7.30-7.45 p.m. Tuku, the Eskimo Boy. 7.45-8.00 p.m. Tuku, the Eskimo Boy. 8.00-8.15 p.m. Tuku, the Eskimo Boy. 8.15-8.30 p.m. Tuku, the Eskimo Boy. 8.30-8.45 p.m. Tuku, the Eskimo Boy. 8.45-9.00 p.m. Tuku, the Eskimo Boy. 9.00-9.15 p.m. Tuku, the Eskimo Boy. 9.15-9.30 p.m. Tuku, the Eskimo Boy. 9.30-9.45 p.m. Tuku, the Eskimo Boy. 9.45-10.00 p.m. Tuku, the Eskimo Boy. 10.00-10.15 p.m. Tuku, the Eskimo Boy. 10.15-10.30 p.m. Tuku, the Eskimo Boy. 10.30-10.45 p.m. Tuku, the Eskimo Boy. 10.45-11.00 p.m. Tuku, the Eskimo Boy. 11.00-11.15 p.m. Tuku, the Eskimo Boy. 11.15-11.30 p.m. Tuku, the Eskimo Boy. 11.30-11.45 p.m. Tuku, the Eskimo Boy. 11.45-12.00 p.m. Tuku, the Eskimo Boy. 12.00-12.15 p.m. Tuku, the Eskimo Boy. 12.15-12.30 p.m. Tuku, the Eskimo Boy. 12.30-12.45 p.m. Tuku, the Eskimo Boy. 12.45-1.00 p.m. Tuku, the Eskimo Boy. 1.00-1.15 p.m. Tuku, the Eskimo Boy. 1.15-1.30 p.m. Tuku, the Eskimo Boy. 1.30-1.45 p.m. Tuku, the Eskimo Boy. 1.45-2.00 p.m. Tuku, the Eskimo Boy. 2.00-2.15 p.m. Tuku, the Eskimo Boy. 2.15-2.30 p.m. Tuku, the Eskimo Boy. 2.30-2.45 p.m. Tuku, the Eskimo Boy. 2.45-3.00 p.m. Tuku, the Eskimo Boy. 3.00-3.15 p.m. Tuku, the Eskimo Boy. 3.15-3.30 p.m. Tuku, the Eskimo Boy. 3.30-3.45 p.m. Tuku, the Eskimo Boy. 3.45-4.00 p.m. Tuku, the Eskimo Boy. 4.00-4.15 p.m. Tuku, the Eskimo Boy. 4

ogul

Bad news

by CHRIS DUNKLEY



When Andrew Todd became editor of BBC Television News in February the public was told that henceforth BBC News would try hard to prevent abuses of the English language on television. Mr. Todd announced that he had often been troubled by sloppy use of language on television, and added that he wanted to "cut out some of the clichés."



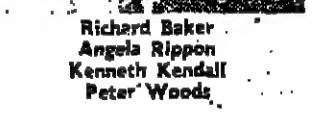
Twelve weeks have passed. Richard Whitmore, who we were told was going back to reporting, seems to have disappeared from the screen without trace. The other news readers have been working one at a time reading the bulletins instead of two at a time. Mr. Todd's campaign against sloppy language does not seem to have had a very dramatic effect.



In fact it doesn't seem to have had any noticeable effect at all. Angela Rippon and Colin Chapman continue to refer to James Callaghan with a phrase that makes him sound like a disreputable private detective—"the Prime Minister," they call him. They are by no means the only ones. When he introduced ITN's coverage of the local government elections on Thursday I noticed that the same pronunciation was used even by Alastair Burnet, who is known for his fastidiousness. "Britain's first Walter Cronkite" or in other words ITN's chief anchorman and newscaster.



This would seem a somewhat questionable choice when ITN are already using men of the quality of Andrew Gardner, Gordon Honeycombe and Sandy Gall each of whom has as much "authority" as Burnet. At least he does not break his sentences up into Dalek-like phrases as Burnet does. Asking a question in "thousand" programme. Burnet said "Mr. Smith. The Liberals have been displaced. In Liverpool. Which was the rose in your crown. Why?"



Of course Mr. Todd bears no responsibility for Alastair Burnet, but he does have responsibility for the man who reported on the drought for Friday's BBC News and who believes that "different" is followed by the preposition "to."

Richard Baker
Angela Rippon
Kenneth Kendall
Peter Woods

back to the classroom for Mr. Crosland... then he should simply keep quiet. He might tell Simon Dring that if he insists on using clichés at least he can do it get them right: the buildings in the Italian earthquake collapsed like houses of cards, presumably, and not like "piles of cards," as Dring told us. He should impress upon Michael Burek, who reported from Houston on the oil industry exhibition, that "wheeling and dealing for orders worth hundreds of millions of dollars" is a particularly tiresome cliché.

I can hear them, now, down in the BBC news room, muttering about nit-picking, and old-fashioned grammatical niceties, and what about the content of the news programmes. The fact is that ever since the days of Alvar Liddell the British public have looked to the BBC news readers to set a high standard of spoken English (a fact acknowledged implicitly by Andrew Todd) and that standard is simply not being maintained.

There are members of the BBC team who neither torture the English language habitually, nor exhibit any odd habits, clothes, or expressions, and the news readers, Richard Baker, among the home-based correspondents, David Holmes, among the foreign-based correspondents, though he starts a new job tomorrow night, Charles Wheeler, and among the reporters, Martin Bell. Long may they continue.

To the content, however. Last time I devoted a column to the news programmes one of my main complaints concerned the paucity of foreign news, though this was mostly a reflection of the unusually large number of important foreign events. However, foreign coverage in general, in all weeks, does seem to have increased considerably.

What is more, I pointed out in that previous column that in the news programmes there was still no room for any consistent coverage of foreign affairs to parallel radio's *From Our Own Correspondent* or *Let's Hear From America*, and although news from abroad is certainly covered *ad hoc* in current affairs and documentary programmes, this is hardly the same thing as regular situation reports from New York, Washington, Moscow and so on. To-morrow night Charles Wheeler will present the first edition of *Foreign Report* in the *Newsday* slot on BBC2, with film from the BBC's team of correspondents on the background to major stories around the world. One could hardly ask for more. Yet even assuming that *Foreign*

Report goes on beyond its experimental series lasting six weeks and becomes a permanent fixture, we shall still not have a perfect, or even a particularly good, television service other than in a few special subjects. Having now achieved a much better balance between home and foreign affairs, the people who organise the two services (BBC and ITN) could usefully turn their attention to the fact that practically all our television news programmes seem to be directed primarily at stockbrokers and the writers of economic text books. By virtue of its specialised nature, it may well be that this newspaper has among its readers a very much bigger percentage than most of people who are only too glad to see television news opening night after night with accounts of the latest catastrophe in the stock market or appalling new trade figures, or depleted gold reserves.

However, there seems to be an increasingly common belief nowadays that it is downright irresponsible not to be worrying yourself into some sort of neurosis over our ailing economy. (As Shirley Williams said to Ludovic Kennedy on *Newsday* last week, revealing the preoccupations of a politician who like most politicians manages to see less television than the average: "In this country we tend to read ourselves into deeper and deeper depression.")

There may not be anybody in either the ITN or BBC newsrooms who will believe it, but there are a great many people around who are not only more interested in news of books or sport or theatre or the non-financial aspects of farming, than in the economy—but who would even argue that those subjects are, in both the short and the long term, actually more important than the economy.

What certainly seems both ridiculous and anomalous is that two television services, renowned around the world for the quality of their "cultural" programmes—drama, music, documentary and so on—should each have a veritable regiment of economics and industrial and financial and labour correspondents in their newsrooms, and yet be unable to present a single reporter who specialises in arts subjects. Let alone the team of correspondents devoted to the arts.

Now that they have achieved such improvements in foreign coverage, perhaps the two services would care to turn their attention to the arts. Man does not live by debt alone.

مركز الأخبار

Coliseum

Le Spectre de la Rose

by CLEMENT CRISP



Festival Ballet has added yet another Fokine revival to its repertoire on Monday. *Le Spectre de la Rose* received its London showing, with Patrice Bart as the Spirit of the Rose, and Elisabeth Terabust as the Young Girl. Geoffrey Guy has restored much of the Bakst setting very well, though the girl must now dream in a most uncharacteristic brown leather wing-chair better suited to a club than a virginal bedroom—and the choreography has been scrupulously restored. But there remains the matter of the spirit of the piece, as well as that of the Rose.

Lincoln Kirstein's magnificent book, *Nijinsky Dancing*, tells us a great deal about Nijinsky's presence as the Rose—the mysterious curve of arms and hands, the way gesture seems to hang in the air—and Patrice Bart, though entirely able to encompass the role, does not convey the sense of fantasy which Fokine required. The called the male dancer "the fragrance of the rose, the caress of its gentle petals." Miss Terabust is very touching as the Girl, yet the delicate essence of dreaming girlhood that Mme. Karavina showed as she danced certain of the poses—unfortunately when the company presented the ballet at the Festival Hall—is gone. The Rose has lost its scent.

The programme also included the appearance of the Hungarian dancer Inna Danza as Albrecht, and the entire forest scene in David Walker's beautifully romantic setting, and with sensitive lighting, was exceptionally effective.

Drury Lane

Billy



Fantasm, Walter Mitty, perpetual adolescent, congenital procrastinator, irresistible rebel, Billy Liar strikes an instant chord of recognition in a modern audience. I did not see Michael Crawford but I gather that he gave Billy a near perfect stage presence. Now another favourite of TV comedy, Roy Castle, has taken over from him, and the perfection seems to the moment to be only intermittent.

It is a demanding role not merely because Billy has to carry the whole spectacular on his own shoulders, being rarely off the stage, but also because the various song-and-dance styles in which his day-dreams are fleshed out require great versatility. This undoubtedly Roy Castle possesses; he can mimic, he can clap-dance, he can sing, he can clown, and there is a lot to admire in the professionalism with which he stays the course. But at the heart of Billy, there is the pathos of unrealised possibilities, that fatal chain between ambition and ability, and it is this pathetic appeal that the performance lacks. In every sense of the word Mr. Castle is too mature for the part.

Festival Hall

RPO

The direction of the Royal Philharmonic Orchestra's contribution to the Festival Hall Silver Jubilee series last night, was shared between Charles Groves and Antal Dorati, with Arthur Robin-stein as honoree and warmly welcomed, along in the Schumann Piano Concerto. The performance, under Sir Charles, was a triumph over adversity, to truth not one of those hazy, low-resolution, over-the-top, Schumannian melodic, each of its phrase and questioning, phrase-shaped with almost inclusive affection—because on this occasion human fallibility was apt to obscure more frequently than was good for the shape of these phrases. What sections had one suddenly starting, aware of a sudden outburst of notes, riches to the piano texture, but the willingness to shade and caress was seldom missed, and that point in the most pleasurable and confidently expected.

It was, even on the high point of an otherwise less-than-perfect concert, which began with Vaughan Williams' potentially tedious Ninth Symphony, under Groves, an end of the world, to merry laughter at each other's quips but their satisfaction is not infectious. This poor production raises an issue of wider significance. Over the past eight years the RPO's achievements on a shoe-string budget have been remarkable. The occasional thin production was excused because the RPO's few causes in celebration of the Festival Hall concerts of the last decade were provided by its sponsorship and first performance of Britten's *The Turn of Mind* several years ago. This might have been the occasion for a reprieve—one felt the need of some testimony, given so much only moderately good orchestral playing throughout the evening, that the RPO is not one of the luxuries London music can no longer afford.

Purcell Room

Falla and Espiá

by RONALD CRICHTON

When a festival year after year, offers as much as the EBF when artists are prepared to vote time to learning unfamiliar music for modest rewards, it seems churlish to ape Beckmesser's Gato. But in last night's Purcell Room concert was merely an exception prove the rule, something which it felt below standard. The dial in question was the Festal (the last of this festival's tenary tributes) and to Espiá, Nestor of Spanish concert, who died earlier this year. The artists were, the piano Ana Raquel-Satre and pianist Alexander Abercrombie.

Mr. Abercrombie is known as interesting, lively interpreter contemporary music. In his Four Spanish Pieces and stasia boetica he seemed distastefully at sea, playing with heart but not head, using much rhythmic licence and too much post-modern intensity in music must be won by playing the notes, not playing about them. Unlike Albeniz, Falla is meticulous in his demands, minutiae put more on the piano than anyone (himself included) could ever off it. Falla noted down precisely what he wanted. He was musical draughtsman with a firm as Picasso's Mr. Abercrombie made him an Eng-water-colourist with a touch of sun.

Wigmore Hall

Ruth Schontal

by PAUL GRIFFITHS

About Miss Schontal I can offer only the information contained in the programme for last night's recital of her compositions: that she was born in Hamburg, that she travelled widely and studied widely before settling in America, and that she was a prizewinner in the Triennial Delta Omicron International Contest for string quartets. Other than that, the evening proved that she is a solid pianist and a composer of her own, genuine feeling and conscientious application, but limited talent.

The performance began appropriately with her Sonata concertante for viola and piano, in which the scratchy playing of Bernhard Seckel dissipated the force of her accompaniment. However, something more than a virtuoso account would have been required to show the piece as anything more than a ramble in a dismal tonal style, lacking in good ideas and consistent movement. Miss Schontal's advocacy of her solo Sonata broke little a redoubt situation, and the first half ended disastrously with a song cycle, *Totengedächtnis*, to her own words. The obvious example of Musorgsky was nowhere approached; the accompaniment was restricted to a few stock patterns, sometimes gabbling on purposelessly; and Josephine Nendick's voice fell much too often into an inelegant mood.

After the interval things could only improve, and they did. A second song cycle, *From "By the Roadside"* to fragments of Whitman, was a good deal more successful, perhaps partly because it was so short, but also because Miette Williams sang it as if it were meant to give pleasure. The rest surprise, however, came in Miss Schontal's performance of her *Requiem* for piano. This work, as she explained, was intended as a nostalgic lament for the reversal and destruction of German cultural values under Hitler. The piano, liberally supplied with foreign bodies on the strings, is made into a skeleton instrument, producing sounds that grate, shiver and reverberate madly. A broken shadow was all that remained of the Sachian sketches and other impressions in this painfully personal piece.

At the end of the concert Miss Schontal showed that she has the knack of improvising pastiche. Her chorale prelude after Bach, on a four-note theme supplied by a member of the audience, was deft, albeit assisted by prepared gambits. Then, in responding to a demand for pseudo-Stokowski, she did as well as could possibly have been expected.

Royal Court Upstairs

Yesterday's News

by B. A. YOUNG

The item of yesterday's news presented by the Joint Theatre Group is the story yet completed, as it is, of how a contractor hired a batch of mercenary mercenaries to fight for the FNLA Angola: how some of them were shot on the orders of a traitor calling himself "Colonel Ian" and how one boy Keith came home to his mum, he had been reported dead. Ambitious material for a 75-minute play in a tiny theatre with no wings and no flies. Gaskill and Max Ford-Clark, the joint directors, solve the problem by showing nothing but seven people in a line on chairs and in their individual tales, the play is enthralling.

The first five characters we see are Roche, the man who deals arms and then for what market offers; Keith, a silly, boastful, exaggerated version of what constitutes immaturity; an even sillier teenage boy from the same neighbourhood in the East End; a reporter in his paper to get an exclusive story of Keith's return to his family; and a stockbroker whose view of the Angola conflict, indeed of the whole of African politics, is coloured by its effect on the stock market. Subsequently they are joined by former soldiers of the Parachute Regiment and the SAS who have fought in Angola. Each speaks in turn, building up the story with the bricks of his or her own piece of it. The characterisation of the parts is brilliant, subtle and detailed; and the research involved (the work of the Group and of Jeremy Seabrook) is clearly well directed and deep. Every individual expresses only honest belief in his own viewpoint. There is no cheating to put over any message other than whatever the audience wishes to conclude. It may be hard for many of us not to conclude that the Angolan civil war, and the involvement and conduct of Roche and his mercenaries, are anything but beautiful and pitiful; but those who begin with contrary views would no doubt find their notions expressed with scrupulous fairness. This is a remarkably stimulating evening.

Greenwood

Les Diablogues

by GARRY O'CONNOR

The last French import at the Greenwood is this charming set of duologues, by Roland Dubillard. They began life as radio plays, then were screened on television, and now have ended being amiably played in front of a faded green cloth full of vaguely scrawled nostalgic suggestion. The performers, Claude Piepu and Philippe Laudonbach, have only one or two props to handle, and even less furniture to sit upon and move around.

The style of the dozen or so sketches begins, on the whole, with a fairly concrete idea, such as the two men playing ping-pong, and then moves into the faintly absurd, in this case a discussion as to whether sea-horses resemble ordinary horses. Another shows us the pair ordering from a menu in a Turkish restaurant dishes such as *Les Turqueries farcies a la Grecque*, and other absurdities, none of them very devastating, but requiring a light touch which is successful, makes the interchanges come alive with humour. Another, one of a number which have music as their motif, has them attempting to improvise by candlelight; again nothing more to describe, but the rhythm and

play of sounds can be entertaining. Dubillard's chief verbal delight is his use of the pun, which, as Billeloux, rightly notes in the programme, is primarily a musical and not a dictionary form of invention. The evening's best is undoubtedly in some personage where a performance is described as *journalistique*. The pun is pursued, gently tossed about. Where, in devil, would ants be located? Such easily followed and inconsequential relaxation is excellently served by M. Laudonbach and M. Piepu—the latter with a unique and high, soft, patterning voice. The counterpoint of sounds and gestures tailing off into abstractions makes a fitting end to the season.

LPO concert change

Neither John Pritchard nor Sir Adrian Boult is well enough to conduct the London Philharmonic in their concert to-morrow, and the concert will be conducted by Vernon Handley. The programme remains unchanged—*Ireland's A London Overture*, Clegg's Concerto with Murray Perahia and Shostakovich's 5th Symphony.

Festival of Britain's Silver Jubilee

The Victoria and Albert is to mount an exhibition in November to mark the 25th anniversary of the Festival of Britain. It will be organised by Mary Reynier, Barbara, Bevis Kilmer and Christopher Firmstone.



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MORRIS

WORLD TRADE NEWS

U.S. bid to limit EEC steel shipments

BRUSSELS, May 11 — The U.S. has told European Economic Community (EEC) authorities that EEC shipments of specialty steels to the U.S. should be limited to 31,000 tons annually under an orderly marketing agreement it seeks to conclude with the Community, steel industry sources said today.

Mr. Alan Wolff, a high official in the office of U.S. Special Trade Representative Frederick Dent, told Commission officials on Monday that the U.S. wants a decision on such an agreement by the middle of next week, the sources reported.

If an agreement is not reached, the U.S. threatens to unilaterally impose import quotas for such specialty steels, with the quotas probably identical with the ceilings that the U.S. is seeking under an orderly marketing accord, the sources said.

There was no official confirmation from Commission officials or the U.S. mission to the EEC. Both sides said that negotiations on the subject are continuing.

Mr. Dent will meet with the EEC's External Relations Commissioner Sir Christopher Soames in Strasbourg tomorrow night and the specialty steel problem is likely to be the chief topic of their discussions.

The EEC Commission, with the backing of the European steel industry, has already said that it is not likely to accept voluntary restraints on specialty steel shipments to the U.S.

Sources said that the Community's position had not changed in talks with Mr. Wolff on Monday. AP-DJ

Structural changes urged to save Europe's motor industry

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

LEADING MOTOR industry economists from Eurofinance, the Paris-based research organisation, poured cold water yesterday over the current talk of revival in the European industry.

Manufacturers still face a highly uncertain spell in which markets could oscillate widely, and in which there is unlikely to be any real growth, they say.

At the same time the present overcapacity will remain in the industry unless Governments intervene to promote structural change.

The Eurofinance team, who were presenting a paper to the International Metalworkers' Federation automotive conference in Munich, argue that average annual sales in Western Europe up to 1981 will not exceed the peak of 9.8m. in 1973.

Production capacity will remain underutilised by about 15 per cent on average, while

output will not exceed 1973's 11.6m. units until the mid-1980s, they say. With total European capacity calculated at 12m. cars a year, this implies "severe difficulties for certain manufacturers."

The November uprising. The present structure of the industry, with a large number of manufacturers in national groupings, is a further weakness of the European system.

The Eurofinance team believes that the European volume car sector can only be viable and stable if reorganised into no more than three closely-integrated or merged groups.

They are too small, individually, to stand up to the major non-European competition.

Japanese and Eastern European manufacturers are seen as a considerable and growing threat to the position of the established Western European groups.

The Eurofinance team concludes that some of the State-subsidised companies in Europe will not be able to survive unless subsidies are made continuously available.

"It seems to us that the position has now been reached where European governments must exercise positively the power they have as major owners/controllers of their car industries."

"It is economically absurd that government money should be used to block structural change and escalate a competitive struggle which is counterproductive for the industry as a whole."

The team suggests that in order to achieve a viable European industry, governments should actively encourage reorganisation, and at the same time re-appraise export strategies towards technological know-how rather than the finished product.

Crosland sees better prospects in Japan

By Peter Duminy

TOKYO, May 11. PROSPECTS FOR British exports to Japan are distinctly improved by "the present undervaluation of sterling," allied with recovery of the Japanese economy, the Foreign Secretary, Mr. Anthony Crosland, said at a Press conference before leaving Tokyo on his return to London this afternoon.

He added that the British Government spends more promoting exports to Japan than on any other trade promotion activity. He told another questioner that devaluation of sterling "will, after a time lag, have a marked effect on exports — it always does."

Asked about China's foreign trade policy, Mr. Crosland drew a possible distinction between what he had been told in Peking and what the members of his mission have actually concluded from their talks in China and Japan. He had passed on Chinese assurances that trade was unaffected by recent political events; but "whether these assurances reflect the reality or not remains to be seen."

This introduces a note of uncertainty about the Chinese position, which probably reflects what the Foreign Secretary has heard in Tokyo regarding Japanese concerns about reduced shipments of oil from China this year, and cut-backs in Chinese steel orders from Japan.

Mr. Crosland met the Japanese Prime Minister, Mr. Takeo Miki, this morning and was then received by Crown Prince Akihito who will be visiting Britain next month.

U.S. persuades Brazil to reduce export incentives

BY DAVID WHITE

RIO DE JANEIRO, May 11. THE U.S. has secured a commitment from Brazil to scale down export incentives as a solution to the growing problem of trade barriers set up by Washington. Brazil's agreement to adapt present incentive systems — specifically on shoes, hand bags and soyabean oil — was "in order to avoid obstacles to the increase of Brazilian exports," according to a joint communiqué put out this morning by Mr. William Simon, Treasury Secretary, and Sr. Mario Henrique Simonsen, Brazilian Finance Minister.

Mr. Simon, who is on a three-leg Latin American tour, said in an earlier interview with the "Jornal do Brasil" newspaper that a move in this direction by Brazil might well be followed by other developing countries in a similar position.

The communiqué covered future consultations on trade issues and proposals for increased U.S. investment — including investments on a tripartite basis with Brazilian and oil-

exporter interests. U.S. interests in Brazil are valued at \$3bn. Brazil is understood to have promised a sharp reduction in incentives granted to exporters of shoes and soyabean oil by the end of next year. In return, the U.S. will not revise its countervailing duties against Brazilian shoes — currently set at 4.8 per cent — and 12.3 per cent, dependent on how much of its output a company exports — before the end of the current administration.

The Brazilian side welcomed President Ford's recent decision against imposing a general duty on shoe imports or import quotas and instead to support U.S. producers. Brazil exported about \$130m. worth of shoes to the U.S. last year, and its sales in the first quarter of this year showed a gain of 35 per cent.

Because of difficulties forecast in the U.S. market, where it sells most of its shoes, Brazil has been seeking new clients in Western Europe, the Soviet Bloc and the Middle East. Two weeks ago, Britain imposed a 16 per cent levy on 18 per cent.

Mr. Simon, whose visit that of Dr. Kissinger, the U.S. Secretary of State, in February talks with President Geisel in Brasilia yesterday afternoon in Sao Paulo, the main business centre, told journalists that efforts to achieve price and improve its trade merited the confidence of investors and bankers. Reuter

Nissan low-pollution engine

BY PETER DUMINY

TOKYO, May 11

A NEW type of low-pollution car engine has been unveiled by Nissan, which if it passes running tests now in progress, should enable the car maker to meet the stringent environment standards due to be applied in Japan in 1978 at relatively low cost.

The main features of the engine are that it combines conventional internal combustion principles with more rapid combustion ("fast burn") and a high rate of exhaust gas recirculation. The result is claimed to be very low nitrogen oxide emissions, combined with exceptional fuel economy. The engine is called Nissan anti-pollution system-2.

Nissan says the invention is protected by 250 patent applications, and could go into commercial production some time in 1978. It will be made available to other manufacturers under licence, in much the same way that Honda has shared its computer vortex-controlled combustion (CVCC) technology.

Unlike the CVCC engines, Nissan's system does not call for a pre-combustion chamber, nor does fuel have to be separated into lean and rich mixtures. In fact, a chief advantage claimed for Nissan's engine is simplicity of construction. However, extensive tooling-up would be required to apply to technology to

mass production, the company says. Nissan hints that the engine may be part of a larger package, which could, it seems, introduce a new catalytic converter, or something on these lines.

Japanese car models have at present to satisfy a standard (average for the model) of not more than 1.2 grams per kilometre of nitrogen oxides emitted — half this for models introduced after April 1, of which there have yet to be any.

The 1978 target is a maximum of 0.28 grams per kilometre. Nissan claims the new engine will have no trouble satisfying this standard.

U.K.-Hong Kong trade gap reduced by 69%

BY PAUL R. STRAUSS

HONG KONG, May 11.

THE HONG KONG Government today issued breakdowns of its first quarter trade statistics, showing a very sharp narrowing of the trade gap with the U.K.

Hong Kong's exports to Britain were up by 29 per cent, showing rapid recovery from last year's slump. But imports from Britain were up even more dramatically by 71 per cent, to \$HK734.3m. (\$150.5m.). The trade gap was thus cut by 69 per cent, from \$HK182.7m. (\$37.4m.) to \$HK87.1m. (\$18.1m.).

Most observers assume the devaluation of sterling was responsible for the rapid rise in British exports. Hong Kong mainly buys equipment and machinery from Britain, a small quantity of plastics and textile materials are purchased and also a very rapidly increasing amount of consumer items.

The director of the Hong Kong general chamber of commerce, Mr. James McGregor, said that viewing the rapid change in the trade pattern, "it looks like the trend will continue for quite some time."

Hong Kong's total trade with Britain amounted to \$HK1.54bn. of which \$HK739.9m. was Hong Kong exports and \$HK804.1m. re-exports, mainly of Chinese and other South-East Asian merchandise. For the similar quarter of 1975, total trade amounted to \$HK1.04bn. and Hong Kong exports to \$HK428.4m.

In contrast, Hong Kong's trade gap with the European Economic Community (EEC) continued to grow until it now represents 30 per cent of total trade, contrasting to 23 per cent a year ago. Hong Kong's total trade with the EEC amounted to \$HK3.41bn. of which \$HK2.09bn. were exports and \$HK1.32bn. imports.

However, the trade gap continued to widen in favour of Japan and China, the first of which exported \$HK2.07bn. worth of goods to Hong Kong in the quarter (up 45 per cent). China exported \$HK1.74bn. worth of goods — mainly food and building materials — to Hong Kong in the quarter (up 32 per cent).

£8m. Dul order for Marconi

Marconi Communications, a GEC-Marconi company, announced that it has been awarded the U.K.'s export order for naval electronic equipment worth £8m.

Under the terms of the Marconi is to play the role in meeting the communications requirements of a generation of British ships. Marconi is to supply sophisticated and comprehensive training and telephony systems including control and surveillance facilities for the Royal Netherlands Navy "S" Class frigates. In addition will have responsibilities for the integration of various electronic communication systems with Philips VLSI Audio Systems' internal communications system.

EMI expands in Sweden

By John Walker

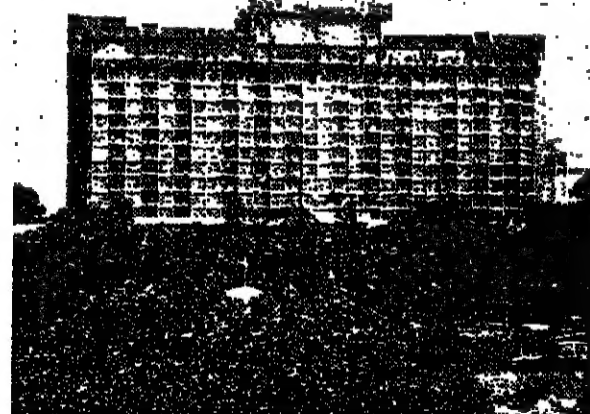
STOCKHOLM, May 11. EMI is expanding its disc pressing and cassette capacity in Sweden by building a new factory outside Stockholm. The new plant, Skandinaviska Grammofon, opened today, has a capacity of 8m. records 1m. tapes annually.

The total investment amounted to \$2.2m. (£2.5m.). The new facilities can be expanded from the present 16 record presses to a total of 20 presses having a capacity of 13m. discs. The case capacity can be extended quickly to meet rising demand.

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Over recent years the Republic of Singapore has been attracting more and more visitors, with 1.3 million arriving during 1975. Last year Singapore surpassed Hong Kong — until then the leading tourist centre in South East Asia — in terms of total visitors. This looks like increasing in future years with 2 million visitors being forecast for 1979, by the Singapore Tourist Promotion Board.

With the greater promotional activity in key markets around the world by the Singapore Tourist Promotion Board and Singapore Airlines, more and more potential visitors will see and hear about the advantages of including Singapore on their S.E. Asian holiday itinerary — with a subsequent increase in the demand for hotel accommodation!

VISITORS TO THE REGION

	1974	1975	% Change (1975 over 1974)
INDONESIA	1.2	1.3	+7%
THAILAND	1.2	1.3	+7%
PHILIPPINES	1.1	1.2	+9%
Malaysia	1.0	1.1	+10%
BRUNEI	0.8	0.9	+12%
INDONESIA	0.7	0.8	+14%

The Opportunity

The Oberoi Imperial ranks as the third largest hotel in Singapore.

Hyatt	834 rooms
Manhattan	624 rooms
Oberoi Imperial	560 rooms
Shangri-La	509 rooms
Hilton	410 rooms

It had an occupancy rate during 1975-76 of 55.4%. Existing contracts indicate the number of room nights for 1976 at 100,000 which are contracted to such leading travel operators and airlines as:

Caribbean	Travelworld	Europe	Scharow
Jetair	Unicours	Air India	
Speedbird (S.A.)	World Express	I.A.T.	
S.M. Tours	Kalva Travel	M.A.S.	
World Travel Service	Tak Cheong Travel		
Kings Holiday	Globetrotter		

Location

The hotel is situated near Orchard Road and is adjacent to the main tourist/hotel and shopping areas.

Land

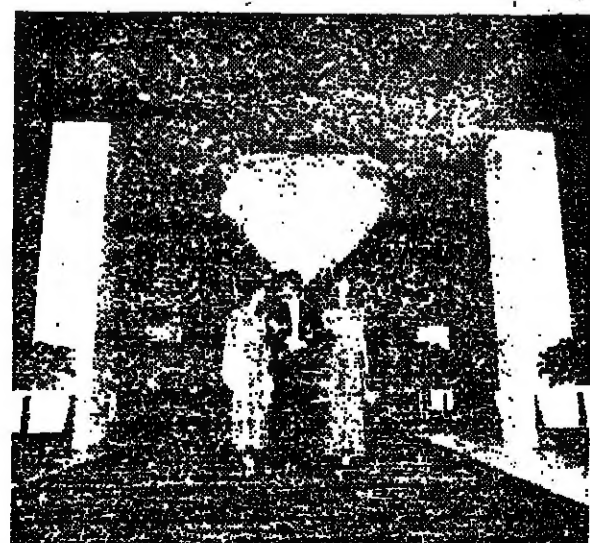
The hotel has been developed on freehold land with an area of 116,197 sq. ft.

The Structure

The building comprises a tower block totalling 13 storeys in vertical dimension excluding the basement floors and has a total floor area of 462,403 sq. ft.

It is of contemporary design and constructed of reinforced concrete frames resting on pre-cast foundation. The perimeter walls of the building are brick with plastered exterior finish. The floors in the public area are finished with marble and mosaic tiles.

It also has 176 car parking bays, and a shopping arcade consisting of 15 shops. The hotel also offers an undeveloped area of 13,728 sq. ft. upon which can be built further storeys.



Public Areas

The hotel has bars, restaurants, pool facilities plus an open-air roof garden and a discotheque.

Guest Rooms

There are 302 standard rooms, 217 superior rooms, 39 suites, 1 Presidential suite and 1 Maharajah suite — all of which are fully carpeted with adjoining bath, shower, W.C. and separate ice-water tap.

Plant & Equipment

Major fixed assets include a GEC Air conditioning plant, Schindler and Otis Lifts, Philips PABX system, Marshall 300 HP boiler equipment and Vulcan, Progressive and Wells kitchen equipment.

Laundry Equipment

The laundry services the Imperial as well as several other hotels in Singapore. It is fully equipped with five washers, four drying tumblers and up-to-date flatwork equipment, with various other dry cleaning, drying, steam-pressing and pressing facilities. It currently operates 12 hours per day.

Other Fixed Assets

Other fixed assets include hotel furniture, soft furnishings, sundry equipment, china, glassware, linen and utensils, office furniture and equipment, hotel fixtures and fittings and vehicles, all of which are in a well-maintained condition as expected of a first class hotel.

Employees

As at 1st May, 1976 there was a total of 593 employees with a ratio of employees to rooms at approximately 1:1.

The Management Agreement

The hotel is currently being managed by Oberoi Imperial Hotel (India) Pvt. Ltd., under the terms of an operating agreement. This agreement will terminate upon the sale of the hotel to a new owner and at that time the word "Oberoi" will have to be deleted from the name of the hotel.

Price

At present the Receiver is prepared to consider offers in the region of \$535 million but the final price will be subject to negotiation and dependent on market interest.

If you are interested and require further detailed information please contact:—

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AMERICAN NEWS

New Concorde inquiry to hear 'collusion' charges

BY DAVID BELL

WASHINGTON, May 11.

A FRESH set of Congressional hearings on the decision to let Concorde land in the U.S. is to be held two days after the aircraft makes its first scheduled flight to Washington this month. Concorde does not have permission to land at Kennedy Airport from the New York and New Jersey Port Authority, which has banned the aircraft until the outcome of a court case going on in Washington. Opponents of the aircraft are challenging the Transportation Secretary's decision to let Concorde land in the U.S. for a trial period, and the case has reached the Federal District Appeals Court.

Representative Lester Wolff, the New York Democrat who has been opposing the aircraft and whose constituency includes the area near Kennedy Airport, has asked the new congressional hearing to be held on May 26 following the release of more than 1,000 pages of Department of Transportation files on Concorde that he obtained under the federal Freedom of Information Act.

Members of his staff say that some of these documents come close to suggesting "collusion" between British and U.S. officials when discussing Concorde's technical problems and that the documents also reveal that there was high-level concern in the U.S. Administration about the aircraft as long ago as November 1972. The hearings hope to show that failure to tell objectors of the existence of this mass of documents violated the "due process" requirement laid down for inquiries into the environmental impact of new aircraft like Concorde.

Opponents of the aircraft have for some time cited letters written by the former U.S. President, Mr. Richard Nixon, to the former British Prime Minister, Mr. Edward Heath, and the late French President, M. George Pompidou, as evidence that the U.S. had a tacit understanding with Britain and France not to do anything that would stand in

the way of Concorde if at all possible. Mr. Wolff's staff maintain that the new documents tend to support these assertions by strong implication at the very least.

However, Mr. William Coleman, the Transportation Secretary, has said repeatedly that he was not influenced by any previous discussions or possible agreements about Concorde and that he made up his mind about the aircraft only on the strength of the special hearings that he conducted earlier this year and that the objections to the aircraft were exhaustively aired at the time.

The importance of the "due process" challenge is that if it can be substantiated, Federal judges could order the whole inquiry to start again and ban the aircraft in the interim. This is what opponents are hoping will happen and then intend to use the documents to bolster their case in court, when oral arguments are heard.

Ford signs election funds Bill

BY JUREK MARTON, U.S. EDITOR

WASHINGTON, May 11.

PRESIDENT Ford this evening signed the Bill reconstituting the Federal Election Commission (FEC) and thereby releasing the flow of federal funds to Presidential candidates, most of whom are sizeable in debt.

There is some doubt as to whether this cash infusion will not come too late to be of much practical assistance to several of the candidates as there is less than a month to go now in the primary season. Something like \$3.8m. will however shortly be disbursed by the FEC.

The genesis of the current problem lay in the Supreme Court ruling earlier this year, which, in essence, said that the FEC was unconstitutional unless all its members were appointed by the President, Executive and the Congress. Although this might simply have been disposed of by the President renominating (and Congress re-appointing) the original

Commission members, Congress became hopelessly bogged down over the issue and only last week was able to agree on a compromise measure.

Mr. Ford's instincts might well have been to veto the Bill altogether, since it contains features which, it is claimed, give excessive influence to organised labour. But political reality dictated otherwise.

The President, and probably Mr. Jimmy Carter, are the only contenders with money in the bank at the moment (though Mr. Ford does have money problems of his own). Mr. Reagan, the Republican challenger, is probably more than \$1m. in debt.

Had Mr. Ford exercised a veto then it would undoubtedly have been interpreted, rightly or wrongly, as an overtly political decision designed to give his opponents, Republican and Democrat.

Carter's nuclear policy criticised

BY DAVID FISLOCK, SCIENCE EDITOR

A WARNING that Mr. Jimmy Carter, Democratic aspirant to the U.S. Presidency, is "no friend of nuclear energy" despite a previous involvement with the U.S. Navy's nuclear submarine programme, is given in the authoritative Washington news-

letter Weekly Energy Report this week. It quotes him saying that a U.S. "excessive emphasis" on atomic power should be severely reduced and converted to a long-term, possibly multinational effort.

No ruling on FBI use in IBM trial

THE U.S. Justice Department has failed to gain a clear cut legal approval to use FBI agents to interview International Business Machines' (IBM) witnesses in its continuing anti-trust suit against the huge computer company, writes Jay Palmer from New York.

In his New York Federal court case yesterday, Chief District Judge David Edelstein rejected without any binding ruling the Justice Department's earlier motion seeking to have this right entered in the record.

Justice Department lawyers had asked the judge to rule on whether or not they were permitted to use FBI interrogation teams to interview IBM's named witnesses before they took the stand to testify publicly in the civil anti-trust case.

The Government's motion had followed an earlier oral challenge by IBM. In his ruling, the judge noted the absence of any formal written challenge and added that, in these circumstances, "an advisory opinion is neither indicated nor desirable."

Following this move, IBM late last night filed the required formal papers protesting the use of FBI agents which the company claimed, involved coercion of witnesses. It is now generally expected that Judge Edelstein will ban the use of agents in an official ruling by the end of this week.

Canadian controls

Finance Minister Donald MacDonald will deliver his first budget on May 25 and will include in it provisions for "tightening-up" the anti-inflation programme, writes Victor Maschke from Ottawa. The Minister said that the new oil and petrol price will not be announced in the budget. It will probably be announced by Energy, Mines and Resources Minister Alexander Gillespie ahead of the budget date "if there is agreement," he added.

The changes in the anti-inflation programme which Mr. MacDonald will outline in his budget will be followed by consultation with those involved and possible amendments to the guides set by the programme. The proposed changes in the anti-inflation programme will place more emphasis on the prices and profit side of the economy. Mr. MacDonald declined, however, to comment on the state of the economy.

Kissinger for OAS

Secretary of State Henry Kissinger is expected to attend a Ministerial conference of the Organisation of American States (OAS) in Santiago, Chile, La Jure, Reuter reports from Washington. State Department spokesman Robert Funke said yesterday that there was "a very strong possibility" that Dr. Kissinger would attend the meeting, spending about a week in Chile and possibly stopping off at one or two countries on the way down and on the way back.

THE HOWARD HUGHES MILLIONS

Lawyers' field day is the principal legacy

BY STEWART FLEMING IN NEW YORK

SCPTICS WHO wondered whether the announcement of the death of Mr. Howard Hughes on April 5 was merely the beginning of an even more mysterious chapter in the life of the eccentric billionaire, have not been entirely disappointed.

There are not, it is true, many people left who believe that Mr. Hughes is still alive. The validity of the death certificate issued in Houston is not seriously challenged. But that Mr. Hughes lives on in the decisions he took—and more significantly, those he failed to take—is not disputed either. Indeed it is one of the ironies that to many Americans, who have been reading and watching the reports about him since his death, Mr. Hughes may seem to be a more believable figure dead than alive. The aftermath of the death of a man who so obsessively shunned publicity has been widely analysed and reported.

At his death, Howard Hughes controlled assets unofficially and variously estimated to be worth between \$1.5bn. and \$2.5bn. It has also been estimated that Hughes companies between 1965 and 1974 were awarded some \$6bn. of Government contracts. In 1975 for example it emerged that a Hughes company had teamed up with the CIA in an attempt to raise a wrecked Russian submarine from the ocean floor.

The question which has occupied the top executives of Hughes companies since he died—not to mention the plethora of (distant) relatives who have emerged from relative obscurity since his death, and the Federal authorities such as the Internal Revenue Service—is how these assets are to be distributed, who should control them, and how much tax should be paid from the estate.

The issue central to the debate is whether Mr. Hughes did or did not make a will which could stand up in court. Some aides have suggested that Mr. Hughes seemed happy enough to make wills, but simply did not sign them.

The Hughes estate can be divided in two. On the one hand there is the multi-million dollar Hughes Aircraft Company which is directly controlled by the Howard Hughes Medical Foundation of which Mr. Hughes was the sole trustee. The foundation claims charitable status, a claim which is not unchallenged and

which may be disputed by the Internal Revenue Service. On the other side of the Hughes empire there are a series of companies in property, gambling, and aviation which were controlled by Mr. Hughes personally and centred on a holding company, Summa Corporation.

If, as some Hughes aides seem to believe, the reclusive made a will leaving the bulk of the estate to the Medical Foundation, and assuming its charitable status is upheld, then it is thought that duties on the estate may be largely avoided. If there is no will, however, it seems that Mr. Hughes' relatives will have a strong claim to the estate, and

The issue central to the debate is whether Mr. Hughes did or did not make a will which could stand up in court.

that heavy taxes will be levied on it before distribution. Their claim might, however, be contested.

How high those taxes might be after deducting allowances and administrative costs is also in dispute. There are suggestions that a large part of the estate might have become liable to duties of up to 77 per cent. Even on fairly modest assumptions about the value of Hughes interests of say \$1bn. it has been suggested that a minimum of over \$150m. could be levied.

No wonder, therefore, that lawyers have started a nationwide search for a will which has apparently included searches in over 40 cities and national advertising requesting information from the public. At one point last week, it seemed that the search might have been over. It was suddenly announced that a will had appeared mysteriously on the 25th floor of the Salt Lake City headquarters of the Church of Jesus Christ of the Latter Day Saints, the Mormons. During his life, Mr. Hughes was attended by three aides, Mr. William Gay, is a Mormon. The purported will named as executor an aide with whom Mr. Hughes had quarrelled over 20 years ago, Mr. Noah Dietrich.

Most mysterious of all, however, it left about \$100m. to Mr. Melvin Dumas, who subsequently claimed to have picked up Mr. Hughes on a road when he was suffering some injury, and to have driven him to a hotel. There followed reports that Mr. Dumas had previously been tried for forswearing in a case that was dismissed when the jury failed to reach a verdict. Handwriting experts are now examining and disputing the validity of the will.

So far this is the only dispute over Mr. Hughes' estate to have emerged publicly. Perhaps surprisingly there appears to have been a reconciliation of at least one set of potentially conflicting interests for the time being.

Thus executives of the Hughes empire, who might be expected to resist its dismemberment and to try to see that the bulk of the assets are passed to the charitable Howard Hughes Medical Institute, have established a working relationship with Mr. Hughes' relatives on his mother's side of the family. The executives did, for example, back those relatives when the latter sought court approval for their appointment as temporary administrators of Hughes' assets in a number of States. In one State, the alternative was the appointment of a State official, an even less attractive proposition to businessmen who want to carry on running the Hughes companies.

In the meantime, another group of relatives associated with the family of Mr. Hughes' father has come on to the scene.

Some other business organisations which may have interests in defending have yet to show their hands. They may include those who financed Hughes companies or had close business relationships with them.

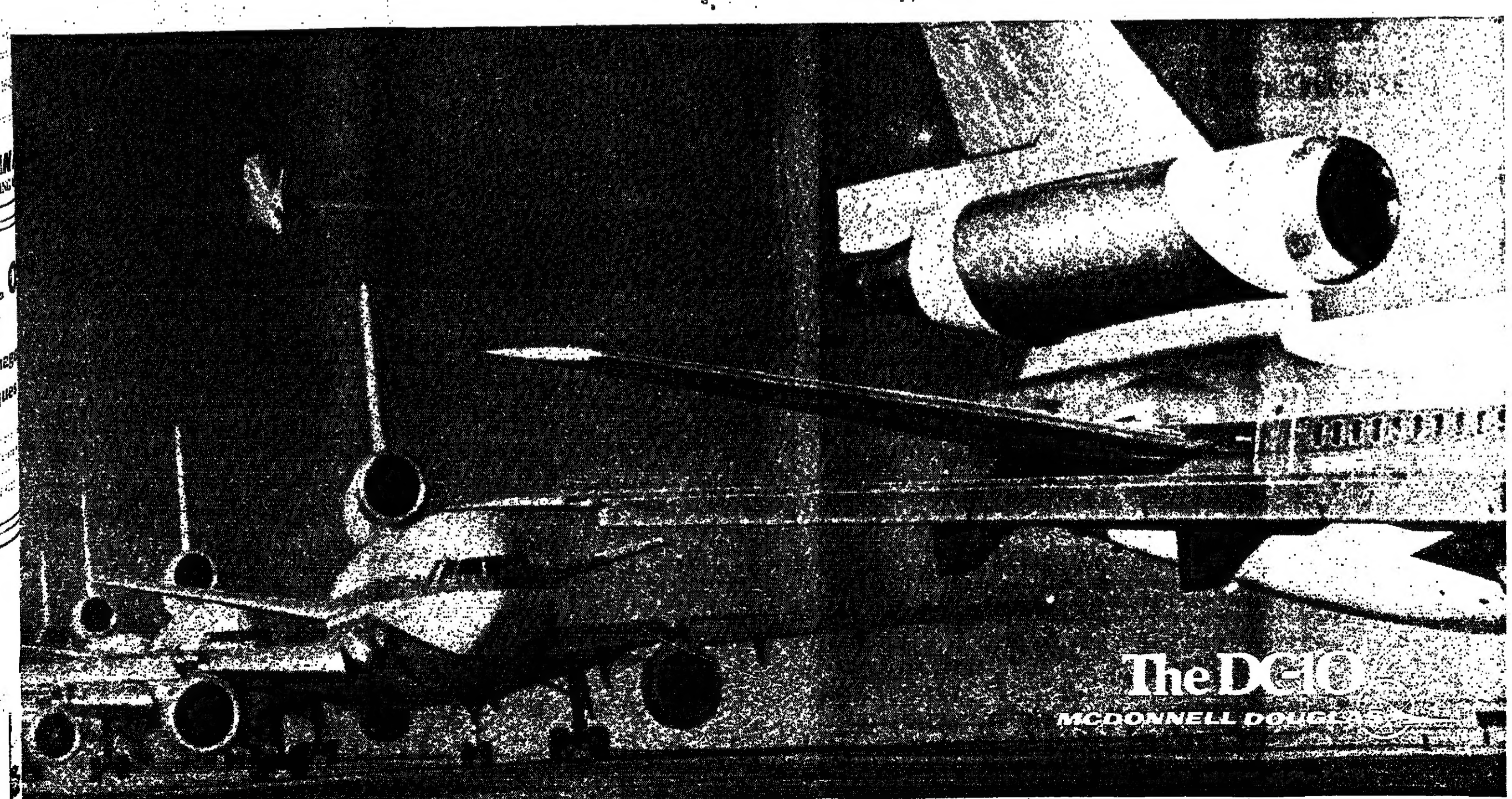
Finally, in the background, no doubt watching developments closely are those Federal and Government agencies involved with the Hughes empire. This group will include not only the Internal Revenue Service but also those Federal organisations which have contracts with Hughes companies as the CIA has in the past.

With so many parties interested in the future of the Hughes empire and so many potential conflicts among them, it now seems likely that its future will be determined by legal arguments spreading over several years—unless a will is discovered which all are prepared to accept as binding.

Times may get worse. Times may get better. Right now they're uncertain. And in uncertain times DC10's are flying.

The reason? Simple economics. The DC-10's fuel and actual per mile costs are less than for any other 3 or 4 engine wide-body jetliner. The DC-10 is large enough to handle peak traffic loads, yet flexible enough for seasonal route changes. Its applications aren't as limited as some wide-body jetliners.

And DC-10s are efficient on medium as well as long-range routes. In the United States, more DC-10s fly domestic air routes than any other 3 or 4 engine wide-body jetliner. Worldwide? 34 leading world airlines have chosen the DC-10. Uncertain times? Not for DC-10s.



The DC-10
MCDONNELL DOUGLAS

OVERSEAS NEWS

Bitter Chinese attack on Russia at UNCTAD

JOHN WORRALL
ONE OF the most ferocious yet on the Soviet side, the Chinese delegate to UNCTAD today accused superpower Russia of being even more imperialist and more cruel than the United States. Mr. Chou Hsiao-Min, said following the footprints of Western transnational corporations, Russia set up ventures abroad for export, seizure of resources. "It exports one profit by conducting large scale and reselling from other countries at prices," Russia, charged Mr. Chou Hsiao-Min, "to control other countries and practise usury, advantage of their military and economic might to encroach on their territory, demanded military and economic aid from their internal market. "It ferociously presses debt countries for repayment of interest. It has said, 'a prudent act' by that the propositions forward by the Group of 77 not to insist on such demands. Mr. Chou said China wholeheartedly supported the third world countries in their efforts to establish a new world economic order. Turning to the U.S., Mr. Chou said, "one superpower in confrontation with the Manila Declaration and programme of action, makes an uproar for replacing the integrated programme for commodities by individual commodity agreements and replacing the Common Fund (proposed by the third world) with an International Resources Bank. Its purpose is to preserve the old order." The Russian delegate, Mr. Nikolai Patolischev, said later he noted with regret "the vicious attack of that country, which is a harbinger of a new world war, against the policy of defence and against security." It scarcely called for any comment. Japan's head of delegation at UNCTAD, Mr. Toshio Kimura stressed here today the need for international co-operation with developing countries in the area of commodities in view of the fact that 74 per cent. (1973 figures) of all exports from developing countries were primary products. Japan was one of the countries that most earnestly desired the attainment of long-term stability and development of the commodities market. Mr. Kimura said Japan felt a solution should be sought on a commodity-by-commodity basis. "Taking the question of commodity prices, for example, some commodities are exposed to excessive price fluctuations while others are suffering from long-term price sluggishness. The measures applied should differ according to individual cases. "We should examine the respective feasibility and usefulness of various measures, including buffer stock arrangements." Japan believed that not all elements seemed workable of the integrated programme for commodities centred on the idea of a common fund proposed by the developing countries. But it was ready to study the programme. Dr. Kissinger's proposal for an International Resources Bank was most interesting, but needed to be clarified further.

Hopes high for talks in Karachi

By K. K. Sharma
NEW DELHI, May 11.
AN INDIAN delegation led by the Foreign Secretary Jagjit Mehta left today for Islamabad for the first official level talks with Pakistan in more than a year. Hopes here are that diplomatic relations, snapped when the 1971 war over Bangladesh broke out, will be re-established. Should this happen a major breakthrough towards normalising relations between India and Pakistan will have been made. Also to be discussed are resumption of overflights and air links as well as starting of rail services—issues left in abeyance when relations between the two countries became strained again last year. Iqbal Mirza writes from Karachi: Pakistan and India will hold talks in Islamabad from May 2 to 14 to conclude an agreement on the resumption of overflights and restoration of air links between the two countries. Conclusion of an agreement, according to official sources, would prepare the ground for the resolution of other questions outstanding through a step-by-step approach as envisaged in the Simla Agreement of July 1972. It is assumed here that the issue of overflight and air links has already been resolved in principle and that it would be a matter for the experts to decide on technicalities and procedures. Japan and Bangladesh yesterday signed notes under which Japan will extend a total of ¥17,500m. of project and commodity loans to help Bangladesh improve its economy. The Japanese Foreign Ministry announced, reports AP-DJ. The loans are to be offered by the Overseas Economic Cooperation Fund, and are repayable with an annual interest rate of 1.575 per cent. over 20 years after a 10-year grace period.

West Bank settlers dig in

BY ROBERT GRAHAM
TEL AVIV, May 11
DESPITE THE Israeli Government's decision to move the unauthorised settlement of Kaddum near Nablus, the largest Arab town on the West Bank, the settlers themselves are pressing ahead with development of the site, and will be hard to move. The deep divisions within this settlement by right-wing extremists of the Gush Emunim movement has provoked within the Cabinet are exemplified by the nature and ambiguous status of Kaddum itself. The settlement straddles a small hill inside the confines of an Israeli Army barracks (formerly a Jordanian Army camp). Access is only through the barracks gates and the Army provides the water plus electricity feeder lines. Thus, if the Government had any time since the settlers were evicted from nearby Sebastia in December have prevented access, shut off water supplies or closed the site down. Even now it is delaying such action by trying to make the settlers accept another site. Kaddum is important because it is a political gesture by a well-organised, very determined group to force the Government into accepting the principle of which to create any economic activity. The settlers have an unshakable belief in the correctness and justice of their actions. "This is our land. It says so in the Bible," I was told. "The Kingdom of Israel established itself in Samaria in the Ninth Century BC. The holy tabernacle was erected in the valley of Shiloh. All this land is holy to us." The settlers have large prefabricated, well furnished complete ofen with TV and stereo. The movement does not seem to lack money. L. Daniel writes from Jerusalem: Another part of the internal working paper prepared by the Finance Ministry officials here, recommending the devaluation of the Israeli pound by 10 per cent. forthwith (on top of the monthly mini-devaluations of 2 per cent.) was broadcast by Israel radio this morning. This was immediately denied by Finance Minister Y. Rabinowitz, who said that devaluations would be confined to the monthly 2 per cent.

Japanese mission to U.S. over Lockheed

A Japanese Government envoy left Tokyo yesterday for Washington to explain to U.S. leaders how seriously the Japanese view the Lockheed payments scandal. Mr. Shirozo Saito, a former Japanese ambassador to the United Nations, was carrying a letter from Mr. Takeo Miki, the Prime Minister, to Dr. Henry Kissinger, the U.S. Secretary of State, Government sources said. More than 50 Japanese judges and prosecutors received cash assistance for foreign travel from a U.S. foundation suspected of having links with the CIA, Justice Minister Osamu Matsuda said yesterday. He said the Government would not allow legal officials to accept money from the U.S. Asia Foundation in future.

Mozambique faces \$165m. loss

BRIDGET BLOOM
NEW YORK, May 11.
MOZAMBIQUE'S decision to full sanctions against South Africa could cost the country as much as \$165m. this year—or times the initial \$57m. estimate of the Mozambique Government last March. So far, Mozambique has had pledged, amounting to about \$80m. These include some \$30m. from the U.K. mainly in long-term loans; the \$124m. grant announced by Dr. Kissinger during his recent African tour; \$15m. from Sweden; \$8m. from the Arab League and between \$1m. and \$4m. each from Nigeria, Finland, Denmark and the Netherlands. The UN report makes clear the huge range of Mozambique's needs. In terms of material assistance, for example, the report estimates that 400,000 tonnes of petrol or crude oil, 120,000 tonnes of wheat, 90,000 tonnes of maize and 40,000 tonnes of rice as well as very substantial quantities of medicines, transported agricultural equipment and spare parts are urgently required. Overall, the report estimates that even with the advantage of some \$100m. in foreign exchange income from Mozambique miners in S. Africa, the balance of payments deficiency this year will be \$175m.-\$200m. The largest direct foreign exchange sanctions cost will come from the closure of Mozambique's rail and ports facilities to Rhodesian goods—some \$60m.-\$80m. followed by the loss of \$22m.-\$25m. on remittances by Mozambique workers in Rhodesia. But there will also be substantial and hitherto largely unexamined indirect costs. For example Mozambique's telecommunication system between Maputo and the rest of the country is dependent on a tropospheric station right on the Rhodesian border; an alternative system, the report says, will have to be provided. In general, it says at least 10,000 people are expected to lose their jobs as a result of sanctions.

Guerrilla warfare warning

BY OUR FOREIGN STAFF
FORECAST that guerrilla warfare would soon come to Mozambique cities was made in on yesterday. So far, the Mozambique nationalists had only acted in "peripheral areas," Anthony Wilkinson, a British expatriate lecturer at the Royal Institute of International Affairs yesterday, said. The emergence of the war in the cities, where most Mozambicans live, would, he predicted, shake the morale of the white community in a way in which even the recent cutting of road and rail links to South Africa had not. But urban terrorism carried higher risks for the guerrillas than operating in isolated rural areas. The division of Rhodesian cities into black and white townships made it relatively easy for the security forces to throw cordons around troubled areas.

Lebanon move to instal Sarkis

BY HANAN HAJAZI
BEIRUT, May 11
MOVES BEGAN here today to set the stage for installing President-elect Elias Sarkis into office as soon as possible. Mr. Sarkis called on President Salim H. Franjeh at Zouk Mkalil 13 miles north of here. Officially, it was a "protocol" visit required when a new Head of State is elected. However, the discussions were reliably reported to have centred mainly on when Mr. Franjeh intends to step down so Parliament may be summoned to hold a session for Mr. Sarkis' swearing-in ceremony. Informed sources said Mr. Franjeh's resignation is expected this week or at the latest next week pending improvement in the security situation. Mr. Franjeh, backed by other Christian Rightist leaders, is said to take the stand that the new Head of State should be installed under calmer conditions. The sources disclosed the Rightist leaders are pressing for a more stable ceasefire and, more important, better defined truce lines. The Leftist alliance, who met last night under Mr. Kamal Jumblatt, later proposed round-table negotiations among the various Lebanese factions which will lay down the foundations of a new political system. The mild statement said the Lebanese Army and other State institutions should be rebuilt, that the problem of law and order must be settled within a purely Lebanese framework. It also calls for steadfastness against "provocation and attacks" which was taken by observers to be an allusion to actions by Syria.

Thais order jets

Thailand's Cabinet yesterday agreed to buy 16 F-5 jet fighters from the U.S. in order to boost its Air Force efficiency, a Government spokesman said, according to AP-DJ. The aircraft plus a spare parts order for 10 sparer parts now flown by the Thai Air Force will cost more than \$30m and exports will be completed within four years.

Philippines plan

The Philippines' martial law Government plans to increase its participation in sectors of the Philippine economy ordinarily left to private investors, according to Dr. Gerardo Sulat, Planning Secretary and head of the national Economic and Development Authority, reports AP-DJ. He said the Government may take over the export of coconut products, a major foreign exchange earner and engage in industries like shipbuilding, steel-making and copper smelting. Government control would be applied to basic and critical industries.



How CF proved itself in big fleets: by people who supplied the proof.

“They stand up remarkably well to the ruggedness of the work we give them to do. It astonishes me sometimes, when you see the condition they come back in and realise the hammering they must have taken.”
R. J. Ashley,
William Press & Sons

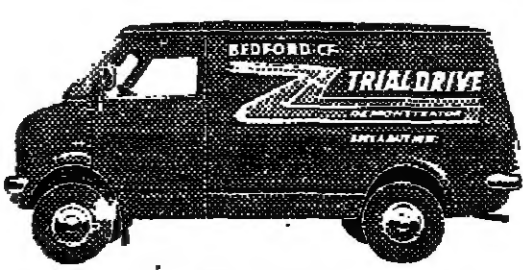
“It's very popular with the drivers... and it's also an excellent vehicle for our long runs—it's comfortable and it's fast.”
J. Burns,
Beaverbrook Newspapers

“Our sort of work tests these vans to the limit and the fact that they stand up to it so well obviously does them full credit.”
A. Francis,
Associated Newspapers

Praise indeed. But don't take their word for it. The Bedford Trial Drive scheme is in full swing right now, so why not contact your Bedford dealer and arrange a CF test for yourself or your transport manager. Experience the many improvements we've made to the latest models, including better petrol economy and performance. He'll also tell you about CF's 12 month unlimited mileage warranty and Master Hire vehicle leasing. Who knows, we might be quoting you soon.

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M. J. Hopcraft,
Mitchell Cotts Transport Services

“We have a fleet of 314 commercial vehicles, 228 of which are Bedfords. The present CF is, in our estimation, a very reliable vehicle.”
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HOME NEWS

OCL aims for 10% rates rise

BY JOHN WYLES, SHIPPING CORRESPONDENT

OVERSEAS CONTAINERS Limited, Britain's leading container shipping consortium, is aiming for a 10 per cent. increase in rates after allowing for inflation over the next two to three years, in spite of the strong downward pressure on prices being exerted by Soviet shipping.

This was disclosed yesterday, on the publication of OCL's annual report, by Mr. Ronnie Swayne, company chairman. Mr. Swayne leaves for Moscow today for talks with shipping officials on Soviet prices, which have been undercutting Western rates by as much as 30 per cent. on some trades.

Mr. Swayne was optimistic yesterday that the Russians might be persuaded to moderate their approach now that governments in Europe and the United States are showing signs of responding to their shipowners' complaints. "I think there are signs that the Russians might be prepared to change."

OCL, a consortium formed by Ocean Transport and Trading, P & O, Furness Withy and British and Commonwealth Shippers, had a better year than anticipated last year, returning a £21.65m. profit before tax, currency losses and minority interests. This was over a 14-month period because of a change in the accounting year. The 12-month equivalent was

£18.45m., compared with 1974's record £26.41m.

Mr. Swayne is predicting that profits this year will match 1974's level. This would indicate a return on capital employed at historic cost of more than 30 per cent. But OCL is aiming for a pre-tax return in the region of 30 per cent., or 8 per cent. on replacement cost.

This will require increases averaging 10 per cent. on all trades and better use of shipping capacity. If the shippers want this kind of liner services, they will have to pay the prices to make it worthwhile for our shareholders to invest in this business," said Mr. Swayne.

Exchange loss

OCL's liner trades between the U.K. and the Far East, the U.K. and Australasia and Australia and Japan will be expanded at the end of next year to include a new service to South Africa.

OCL's report shows that the company is in dispute with the inland Revenue over whether foreign exchange losses of about £20m. are allowable against tax.

Bakers advertise the standard loaf again

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE three main bread manufacturers are to start advertising their standard loaves again next week for the first time for nearly 18 months. The decision follows the end of the self-imposed moratorium on advertising agreed in early 1975. The other main vehicle of promotion—discounting—is limited by the Government.

Traditionally the three bakers—Allied Bakeries, Spillers French and RHM—are among Britain's biggest advertisers in terms of cash. But in 1975 the bakers agreed, with the approval of the Department of Prices, that all consumer advertising for standard loaves should be dropped for a trial period of six months. This was later extended for a further year.

The decision to stop advertising was partly the result of the Government's earlier move to limit the level of discount which the bakers could offer their retailers on bread. This discount limitation was in its turn related to Government subsidies on bread. The Government took the view that it did not want the bread subsidy money used by retailers as a way of increasing their profits on the sale of bread. For this reason it limited the

level of discount the bakers could offer retailers to 2.21 per cent.

At the time of the decision, however, the smaller regional bakeries argued that the discount limitation had curtailed their main weapon of promotion. They claimed that it was particularly unfair to the independent bakers who were not traditionally heavy advertisers and thus relied more on discounting as a means of getting distribution than the big bakers who advertised heavily.

Overall consumption of bread does not appear to have suffered from the cut-back in advertising but the large bakers feel that the moratorium has prevented them increasing their individual brand shares.

Now, it seems that the independent bakers have relaxed their opposition to advertising. When the moratorium came up for review recently it was decided that it should not be extended again. As a result, the major bakers are expected to start advertising on television again next week.

The Department of Prices said yesterday that while it had been consulted on the original moratorium, it was not its job to say whether or not the bakers should advertise.

Bank brings in new rules to block options loophole

BY MICHAEL BLANDEN

THE Bank of England yesterday introduced new rules designed to block a potential loophole in the exchange control rules in relation to the budding London market in options on U.S. stocks.

The new regulations could affect the present proposals for the Stock Exchange to set up an options trading market in London in cooperation with the American exchange.

Brokers argued yesterday that the changes now made it virtually out of the question for U.K. investors to invest directly in the option market in foreign securities. It is thought possible that market representatives will approach the Bank jointly to seek some relaxation of the new rules.

These lay down that the proceeds of sales of securities on foreign currency accounts by U.K. residents must be sent at the official rate of exchange rather than through investment currency.

A U.K. investor has to buy foreign currency through the investment currency pool, paying the dollar premium of 31 per cent. Some 56.5 per cent. in order to buy options in foreign securities.

Solicitors criticised over estimates of charges

BY A. H. HERMANN

SOLICITORS often cause their clients distress by delays in handling their affairs, says a report published yesterday. It also says that clients are not made sufficiently aware of the cost of legal services.

The report has been compiled by Rear-Admiral Bruce Place, appointed by the Government a year ago as law observer to investigate how the society deals with complaints against solicitors.

Rear-Admiral Place says the society could speed handling of complaints. Despite spending about £100,000 a year on its complaints procedure, the society apparently is unable to deal adequately with the volume of correspondence, the report says. Law Society procedures are cautious and do not always inspire confidence in an

aggravated client. The report adds that the public must feel it can easily obtain impartial and expert advice when proceeding against a solicitor.

To meet this need, Rear-Admiral Place recommends compiling a list of solicitors with skill and experience in professional negligence litigation which should be made available to the public.

The report finds that the most frequent complaints against solicitors concern delays in handling matrimonial proceedings, administration of estates, building disputes and accident claims. "Some clients are obliged to keep solicitors in funds for an intervening period, have to make repeated alterations to their lifestyle—even to the point of staving off bankruptcy," says the report.

New look Treasury figures on target

BY ANTHONY HARRIS

THE TREASURY yesterday published for the first time a detailed monthly account of central government revenue and expenditure, covering the month of April.

The figures in future will be published on about the seventh working day after the end of each calendar month. Mr. Joel Barnett, the Financial Secretary to the Treasury, told the Commons.

No very strong conclusions can be drawn from the figures for cash outlays in the first month of a financial year, but the new presentation was generally welcomed in the City yesterday as offering a much more direct and comprehensible check on the progress of the Government's finances than was previously available.

All the figures in the new compilation have been available previously from one source or another, but many of them are published about three weeks earlier than before and the new presentation is much easier to follow.

It brings together the figures for the Consolidated Fund and National Loans fund previously published in the London Gazette, the details of revenue, expenditure and Central Government borrowing published—about three weeks later—in the official Financial Statistics, and the relevant Budget estimates from the Financial Statement and Budget Report.

The figures for April show revenue of £2,725m., running 13

per cent. higher than last year, an increase of £324m.—very close to the increase predicted in the Budget.

This appears to be a coincidence, however: in 1975 revenue was modestly swelled by receipts from the building societies, who were repaying the earlier Government loan to them, while this year there was an abnormal jump in Customs and Excise revenue.

This was probably due to last-minute clearances of wines and spirits in anticipation of Budget.

Expenditure is shown as £2,994m., an increase of £460m. or 18 per cent., compared with an 11 per cent. rise for the year as a whole forecast in the Budget.

So far as any judgment can be based on one month, this probably represents progress on schedule.

Supply Service expenditure has recently been showing an increase of 22 per cent. on its annual comparison: and the pattern of last year's spending, with a very large increase in mid-year, has always implied that the rate of increase in the early months might appear relatively high.

The central government borrowing requirement for the month was £268m., compared with £382m. last year—a change of little significance, since the main borrowers—local authorities, nationalised industries and public corporations—were little in evidence in April.

CENTRAL GOVERNMENT TRANSACTIONS

	1975-6 Actual	1976-7 Budget forecast	1975 Actual	1976 Actual	Change £m.
CONSOLIDATED FUND					
Revenue	29,417	33,197	2,501	2,725	+324
Expenditure	36,047	39,915	2,534	2,994	+460
Surplus (+) or deficit (-)	-6,630	-6,718	-133	-269	
NATIONAL LOANS FUND					
Receipts	3,573	4,900	168	290	+122
Payments	4,296	5,332	464	316	-148
Total net borrowing (-) or repayment (+)	-9,353	-10,750	-429	-295	
Other funds and accounts requirement (-)	-5,477	+324	+47	-27	
Central Government borrowing requirement (-) or repayment of debt (+)	-8,806	-10,426	-382	-268	

† Excluding national debt and other transactions concerned with the financing of the borrowing requirement.
‡ Latest estimate.

Callaghan appoints Cudlipp adviser

BY ADRIAN HAMILTON

THE Prime Minister has appointed Lord Cudlipp, an ex-chairman of the International Publishing Corporation (IPC), as adviser to the Government on its presentation of the next phase of counter-inflation policy.

The appointment, which is unpaid, creates a new but as yet undefined job in which Lord Cudlipp will have direct access to the Prime Minister and will work closely with the Minister immediately concerned with counter-inflation problems.

The announcement yesterday said that he would "advise on communication with the public over the whole range of issues involved," including the voluntary incomes policy agreed with the TUC and questions of productivity, prices and industrial relations; and the effect of these, and inflation, on employment and economic recovery.

Part of his job will be to supervise the Government's Counter-Inflation Publicity Unit now headed by Mr. Geoffrey Goodman (also an IPC man) who returns to journalism in July.

Lord Cudlipp has already been an unpaid adviser on the Government's equally expensive "Save It" campaign to get the public and industry to conserve energy and to relinquish earlier this year.

Lord Jacobson, a former editorial director of IPC, is continuing to act as an unpaid adviser to the U.K. Government.

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NEWS ANALYSIS — CAVENHAM

Jimmy Goldsmith's empire

BY MICHAEL LAFFERTY

ANYONE CAN be forgiven for not understanding the structure of Mr. Jimmy Goldsmith's empire. Part French, part British, part elsewhere—this group has a complexity which matches that of many of the famous European holding companies.

The key French company, and the one which heads up the whole organisation, is Générale Occidentale, in which Mr. Goldsmith owns one-third of the shares.

The British side of the operation is represented by Cavenham—now a major European food group—and somewhere in between is Anglo-Continental Investment and Finance Company.

It is through the latter company that most of Mr. Goldsmith's investment banking and insurance operations in the U.K. and on the Continent are organised.

During the first nine years from its original formation in 1965, Cavenham's pre-tax profits have grown from nil to £30m. and the consolidated turnover of the group by the end of 1975 was on an annualised basis, running at some £1.5m.

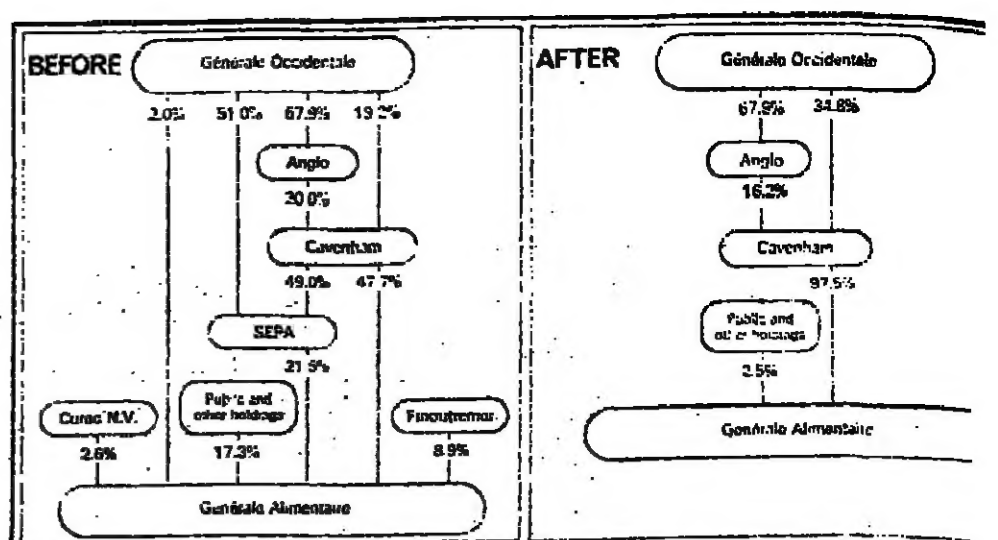
In between, there was a period of hectic expansion. But by 1971 Cavenham was still only involved in slimming bread, some confectionery, a few biscuits, Dutch gin, snuff, and a modest chain of confectionery, newspaper and tobacco shops.

The first major development came with the acquisition of Bovril for £14m. in June 1971, after a contested bid with Rowntree Macintosh, Wrights Biscuits and Moores Stores followed at a cost of £8m.

Then in January, 1972, came the deal for Allied, an international food group with a well-balanced spread of operations giving protection against sudden economic upset in any individual country.

Unilever owned 12 per cent. of Allied's equity and controlled one-third of the voting rights.

In December, 1973, Cavenham acquired 51 per cent of the



Grand Union Company, the

large U.S. supermarket chain.

It had also picked up important

stakes in major food companies

in France, Sweden and Spain.

As each new advance was

made, Cavenham reorganised and

restructured these companies

and more efficient management

and control systems were in-

stalled. Even so, it was inevitable

that with such rapid growth the

resultant group structure would

be complex.

Several of the companies taken

over had scores of dormant or

semi-active subsidiaries, often

with minority holdings. Because

of the speed of the development

and Cavenham's policy of respect

for political and economic con-

ditions in foreign countries,

minority shareholders arose at group

level.

By late 1973, it was necessary

for Cavenham to take stock and

re-assess its future strategy. The

basic guidelines were that Caven-

ham would be exclusive in an

international food group with a

well-balanced spread of opera-

tions giving protection against

sudden economic upset in any

individual country.

Its principal areas of develop-

ment would be the EEC and the

U.S.

It was decided to simplify

Cavenham's group structure, con-

centrating its resources on the

mainstream activities.

In addition, it was decided that

no matter how strong the U.K.

assets of the group, Cavenham

would seek to ensure a sound

balance between foreign cur-

rency borrowings and available

funds.

The present proposals to in-

crease Cavenham's shareholding

in Générale Alimentaire (G.A.),

one of the most important food

manufacturing groups in France,

are a major part of this whole

reorganisation.

Cavenham first obtained a

stake in G.A. in the early 1970s

before Britain became a member

of the Common Market. But its

desire to get a major foothold in

the French food market was im-

paired by French Government

policy designed to avoid control

of a major French food company

passing out of French hands.

Accordingly, a new company,

SEPA 51 per cent owned by

Générale Occidentale and 49 per

cent. owned by Cavenham, was

established, and acquired 2

cent. of G.A.'s capital.

The necessity for such a

no longer exists since the U.K.

Government has now agreed

Cavenham can proceed with

control of G.A.

But the process is by no

means simple as it must

either a direct cash offer

share exchange deal with

French public share

would have run into in-

vestment problems.

The alternative of financ-

ing a cash offer through a

currency borrowing was

sundered imprudent because

of the potential cost of the

premium arising from

Générale Alimentaire.

Assuming the proposal

approved, control of G.A.

will pass into French hands

Contested

The first major development came with the acquisition of Bovril for £14m. in June 1971, after a contested bid with Rowntree Macintosh, Wrights Biscuits and Moores Stores followed at a cost of £8m.

Then in January, 1972, came the deal for Allied, an international food group with a well-balanced spread of operations giving protection against sudden economic upset in any individual country.

Unilever owned 12 per cent. of Allied's equity and controlled one-third of the voting rights.

In December, 1973, Cavenham acquired 51 per cent of the

Japanese car sales up in April

BY TERRY DODSWORTH AND PETER DUMINY

SALES of Japanese cars in the U.K. rose by almost 2,000 units last month, compared with a year ago. It was disclosed yesterday.

Over the first four months of the year, however, EEC imports have made a much bigger impact on the market, with an increase of almost 15,000 registrations against 880 by the Japanese.

The facts emerge from the detailed figures of U.K. car registrations issued yesterday by the Society of Motor Manufacturers and Traders.

Overall, import sales grew by almost 11 per cent. last month against a 24 per cent. increase in the market, and have gone up by a cumulative 11 per cent. over the first four months.

Although Japanese registrations have risen by more than

these statistics lend force to the view that the Japanese are re-directing their export effort—which has been building up rapidly this year—to markets other than the U.K.

At the same time, British Leyland and Chrysler have been unable to take advantage of the rising British market. Both are still selling fewer cars than at the same time last year, although Chrysler is rapidly expanding sales of the French-made Alpine.

The Alpine is now Chrysler's third best-selling model, and this year, along with the Vauxhall Cavalier, which is made in Belgium, is the most important reason for the increasing penetration of EEC-produced models.

Indeed, without them the EEC sales level would almost be the same as last year.

The figures take in the 15,000 of the difficult sell which British Leyland was by strikes in several of worst effects of those of April.

Jobs scheme to cost £1m.

LEICESTERSHIRE COUNCIL resources committee decided to limit spending at job creation and a training scheme to £300,000 in the two years.

The company makes SD-330 and Skyvan light aircraft and Blonville carried missiles and adds a wide range of other projects.

Short Brothers, with 6,000

Mersey Docks reduces trading loss to £147,000

BY KEVIN DONE, INDUSTRIAL STAFF

MERSEY Docks and Harbour company reduced its trading loss to £147,000 last year, compared with a loss of £343,000 in 1974. The improved results can be attributed to reorganisation, increased productivity and better industrial relations.

In the port, the chairman, Mr. J. J. Page, said yesterday.

In spite of a reduced volume of trade, the trading losses were not nearly as great as had been feared in the early stages of 1975, he said. But the company made a total loss of more than £8m. due to a voluntary severance payments and property revaluation.

The number of employees has been considerably reduced

through voluntary severance schemes, which cost £3,332,000 in the year.

And this exceptional figure was combined with an "extraordinary" loss of £1,283,000 due to the effects of property revaluations, to take account of recent Government measures which have affected the property market since the last revaluation in 1971.

The new valuation takes into account the effects of the Community Land Act and the Development Land Tax Bill, which means there will be a considerable reduction in the amount of money that could be obtained from the sale of surplus land.

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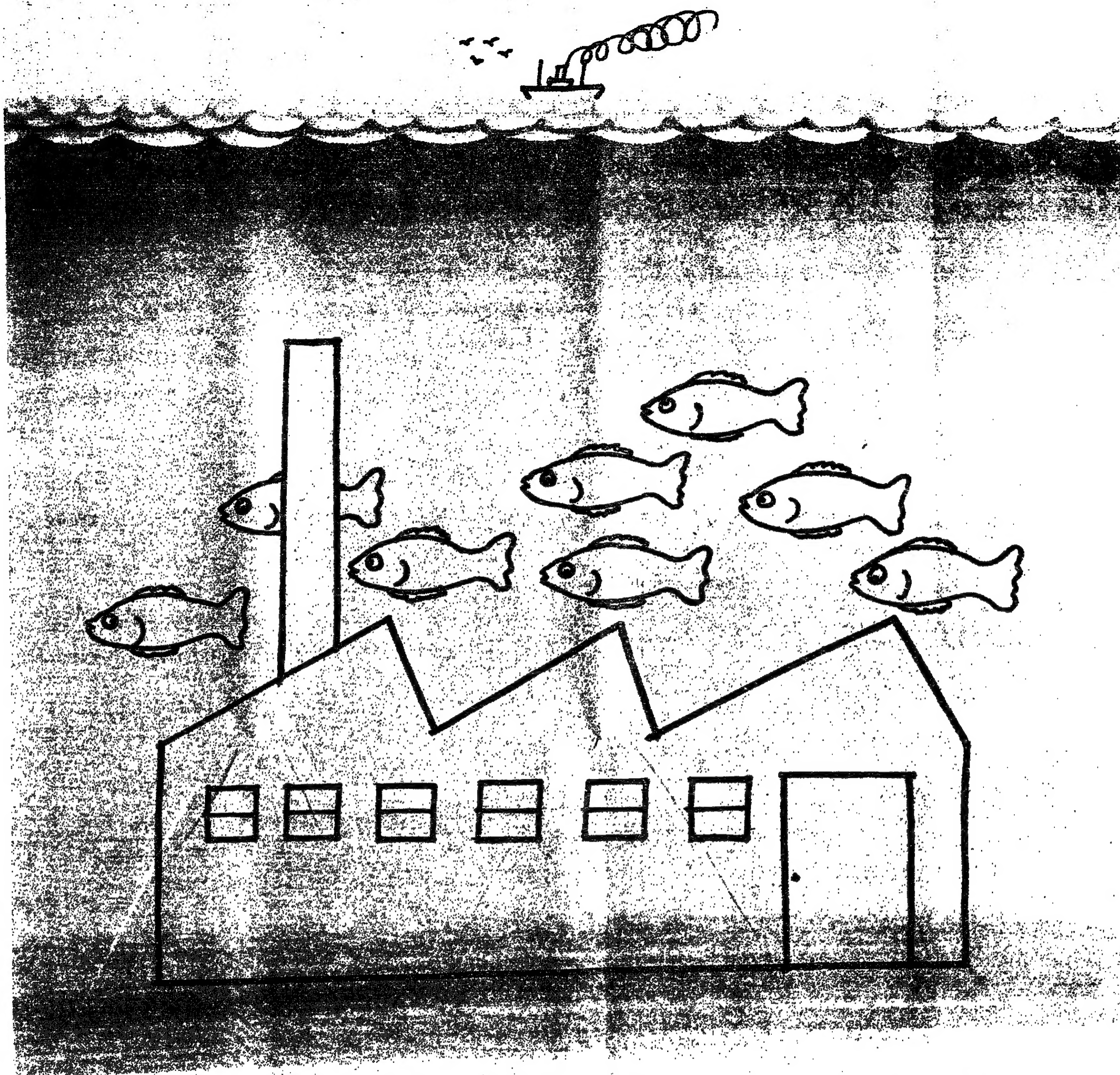
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And our marine engineers at Brown Brothers in Edinburgh are blazing a trail for British companies with specialised heavy compensation equipment for oil drilling rigs.

Vickers Offshore Engineering Group combines all these skills for the future of oil and gas exploration.

We also have experience in depth in many fields. From colour printing to office equipment, from precision instruments to bottling lines. Our current programme includes such varied activities as work in white metal bearings, the Vickers Dynamometer which enables vital research to be carried out on aircraft tyres and brakes, and handling submersibles in heavy seas.

Achievements which brought us sales of over £324 million and won us Queen's Awards for new technology and export achievement in 1975. Also a 1976 Design Award for Brown Brothers.

Vickers has a long tradition for practical, purposeful and often inspired engineering.

But in terms of many new growth industries our development is only just beginning.



VICKERS

Expansion from strength

SOCCER BY TREVOR BAILEY

Comfortable win

AFTER THE disappointment of the Welsh game last Saturday, England, greatly strengthened by the return of Todd and Channon, put together a most impressive performance against Northern Ireland and won by four goals to nil, a score line which in no way flattered them.

This victory was even easier than expected, because the Irish were decidedly unbalanced.

We shall have to wait until Hampden later this week to find out if Revie's men are as good as they looked on occasions at Wembley this evening and to decide who will carry off the home championship.

The game began quietly although England were producing the more positive football, with Channon showing life up front and suggesting a quickening trouble with his dashing runs and angled passes from mid-field.

In contrast, the Northern Ireland build-ups were slow and, though often pleasing, their passing was too close to cause much inconvenience to solid back four, who seldom had to contend with more than two forwards at any one time.

Nevertheless, it was the Irish who created the best chance after 28 minutes when a shot from Hamilton's shot fortunately hit the legs of Clemence after a good run by McIlroy and a cross along the ground from Spence.

England were soon back on the attack, Channon had a shot blocked and Pearson went close enough to suggest that goals had to come. It was, therefore, no surprise when Channon deceived the defence by flicking a good shot from Mills through G. Francis to beat Jennings to the ball, round him and put it into an empty net.

Only a minute later, they went further ahead, when Channon, having been felled in the penalty area, proceeded to score from the spot.

APPOINTMENTS

R. Lewis joins Access Board

Mr. Ralph Lewis has been appointed a director and deputy to the chief executive of the JOINT CREDIT CARD COMPANY (Access). Mr. Lewis was formerly manager of the Broad Street Reading branch of National Westminster Bank.

Mr. Norman Hildebrand has been elected chairman of the Women's Wear Association of the CLOTHING EXPORT COUNCIL. Mr. Hildebrand is managing director of Hildebrand Dresses and is also chairman of the Associated Fashion Designers Group.

Mr. Derrick H. Loosemore has been appointed director of the South Western Postal Region of the POST OFFICE in succession to Mr. David Stevens who is retiring on medical grounds. Mr. Loosemore has been head postmaster at Birmingham since 1970.

Mr. Robert Clark has been appointed director of HUNTS FLOOD POWER, a member of the Baker who remains chairman of Hunts group. He will continue as general manager of Avon Pneumatics.

Mr. John G. Oakenfold has been appointed managing director of DONN PRODUCTS (U.K.).

Mr. J. Gwyn Morgan, representative for Wales of the European Economic Commission, has been appointed a director of the DEVELOPMENT CORPORATION FOR WALES.

Mr. Keith Vartan has been appointed company secretary of DINERS CLUB OF GREAT BRITAIN.

Mr. E. T. Gartside, Mr. C. M. D. Roberts and Mr. N. E. Smith have been appointed vice-presidents of the BRITISH TEXTILE CONFEDERATION.

Mr. John G. Campbell has been appointed managing director of CINCINNATI MILACRON in succession to Mr. James C. Deslaur who is returning to U.S. Mr. Campbell has also become director, European machine tool operations.

Mr. R. Garland has been appointed a part-time member of the NORTH WESTERN ELECTRICITY BOARD until December 31, 1977. Mr. Garland is general secretary of the Amalgamated Union of Engineering Workers (Foundry Section).

Mr. M. A. Elliott, general manager, industries and export, has been appointed a director of the company, KIRKBY-CLARK, has been appointed a director of the company.

SULZER BROS. (U.K.) has made the following appointments: Mr. E. T. Kennaugh, director of diesel engine machinery, Mr. J. P. Macdonald, director of textile machinery, and Mr. R. W. Furlwangler, director of mechanical and process engineering.

Mr. P. Keith Barling, formerly chairman and joint managing director of UNILOCK HOLDINGS, has been appointed to the new office of president of the Board.

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LABOUR NEWS

TUC economic committee meets on pay deal to-day

BY CHRISTIAN TYLER, LABOUR STAFF

TUC demands for Government action on prices, imports, pensions and unemployment, in return for acceptance of the new pay guidelines, will be discussed by the TUC's economic committee to-day.

They are contained in a document setting out the deal with the Chancellor which will be put to an emergency Congress in London on June 18.

The document makes it clear that the TUC does not expect immediate action from the Government as a quid pro quo for recommending acceptance of the £2.50-4.54 pay guidelines. Instead, it recommends continuation of the dialogue between TUC and Government.

Union leaders yesterday said they expected little more to emerge, although there could be

AA staff association case for ACAS

BY DAVID CHURCHILL, LABOUR STAFF

A WHITE-COLLAR union yesterday asked the Advisory, Conciliation and Arbitration Service to investigate industrial relations within the Automobile Association following claims that the AA was trying to erode the status of its own staff association.

The Association of Scientific, Technical and Managerial Staffs, which has about 500 members out of the AA's 8,800 staff of all grades—ranging from patrolmen to clerical workers—has applied under Section 11 of the Employment Protection Act for further recognition within the AA. ASTMS already has bargaining rights for about 300 AA staff in London.

An ASTMS official said yesterday that the attempt by the AA to provide a new participation structure by bypassing the existing staff association, was also grounds for seeking an ACAS inquiry into management-staff relations within the company.

ASTMS claims that the company's new participation proposals may have been sparked off by fears of a possible merger

Seamen's leader under attack

BY OUR LABOUR STAFF

MR. JIM SLATER, general secretary of the National Union of Seamen, has received a vote of no confidence from his home branch in South Shields.

Mr. Slater, who made a name on Tyne-side for his vigorous attacks on the union leadership in the early 1960s, has been accused of loss of interest in his branch members' affairs.

The move against the general secretary came in a poorly attended meeting of the branch

London Clearing Banks' balances at April 21, 1976

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Co-ops, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

	Total outstanding	Change on month	Change on year
£m.	£m.	£m.	£m.
LIABILITIES			
Standing deposits:			
U.K. banking system	2,769	+109	+109
Other U.K. residents	23,103	+537	+537
Overseas residents	1,656	+14	+14
Certificates of deposit	1,439	+127	+127
Of which: Sight	28,967	+595	+595
Time (inc. CDs)	11,277	+739	+739
Foreign currency deposits:			
U.K. banking system	2,753	+80	+80
Other U.K. residents	624	+35	+35
Overseas residents	8,291	+384	+384
Certificates of deposit	1,121	+11	+11
Total deposits	12,599	+413	+413
Other liabilities	41,556	+918	+918
TOTAL LIABILITIES	48,245	+1,296	+1,296
ASSETS			
Notes, coins and balances with Bank of England	1,043	+109	+109
Market loans:			
Discount market	1,368	-91	-91
U.K. banks	4,230	-293	-293
Certificates of deposit held	722	+38	+38
Local authorities	1,218	+71	+71
Other	302	-44	-44
	7,990	-305	-305

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	Total outstanding	Change on month	Change on year
£m.	£m.	£m.	£m.
LIABILITIES			
Total deposits	41,556	+918	+918
ASSETS			
Cash and balances with Bank of England	1,043	+109	+109
Market loans:			
U.K. banks and discount market	8,381	-358	-358
Other	7,189	-279	-279
Bills	1,883	+158	+158
Special deposits with Bank of England	649	-11	-11
British Government stocks	1,789	+21	+21
Advances	31,217	+362	+362

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	Eligible liabilities	Reserve assets	Ratio (%)
£m.	£m.	£m.	
Eligible liabilities	18,673	+463	5,935
Reserve assets	2,495	+7	798
Ratio (%)	13.4	-0.3	12.9

TABLE 4. CREDIT CONTROL INFORMATION (Parent banks only)

	Eligible liabilities	Reserve assets	Ratio (%)
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£312 rise planned for doctors and dentists

By Donald Maclean

THE REVIEW Body on Doctors and Dentists' Remuneration recommends increases in pay in line with the Government 26 pay policy.

Rises of £312 a year—ranging from 3.8 per cent to 10.9 per cent—are suggested where applicable within the policy's terms. For those earning more than £8,500 a year no increase is proposed.

Dr. Derek Stevenson, British Medical Association Secretary, said that most general practitioners and consultants would get nothing at all from the recommendations, and will have received no increases of any kind for over 12 months. By no stretch of the imagination could this be termed a "rough justice," he commented.

It was not the fault of the medical profession that the timing of the review body's report had got "out of phase" with the two rounds of the present Government's pay policy.

The review body had felt obliged to follow the Government's pay policy of August 1975, "to the letter" in spite of the "damaging consequences for the health service," Dr. Stevenson said.

Meetings

The Association had had two meetings with the Secretary for Social Services, urging the Government "to remedy the injustice done when the new pay policy takes effect in August of this year, and ceilings are removed. We intend to renew our representations and, if appropriate, to take advantage of the Government's offer to review the situation later in the year."

In the Commons, Mr. James Callaghan, the Prime Minister, said that the review body's recommendations were in accordance with the anti-inflation policy, and that the Government was ready to accept them.

The Review Body estimates that the overall cost of the increases will be £12.6m. for 1976-77, or 2.2 per cent of net remuneration in 1975-76 (excluding provision for practice expenses, and employers' superannuation and national insurance contributions). Just over half of all doctors and dentists, it is estimated, will receive an increase under the recommendations. For them, the amount will average 6 per cent.

The General Dental Council is to consider introducing an English and professional competence test for foreign dentists working temporarily in Britain. The Council's education committee says that some form of assessment "would be in the interests of the public."

Warnings over incomes policy

BY IAN HARGREAVES, LABOUR STAFF

TWO UNION leaders warned yesterday that incomes policy unions continued to assail constraints on pay differentials and productivity agreements could not be allowed to continue vying with each other to do so if other la-

Addressing a British Institute of Management conference on pay and incentives, policy after the 26 limit, Mr. John Lyons, general secretary of the Electrical Engineers' Association, said that his members might be forced into industrial action to counter the move towards a narrowing of differentials.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said that the exclusion of productivity deals in the new Government-TUC pay policy was one of its major weaknesses. Progress on streamlining the workforce and increasing productivity at the British Steel Corporation was now being impeded by pay policy, he said. Mr. Lyons said that his 30,000 members were reluctant to use their industrial muscle over differentials, but they would be forced to do so if other la-

Rail union merger calls rejected

BY OUR LABOUR STAFF

CALLS FOR an amalgamation of the three rail unions—to present British Rail and the Government

with a united front on common issues—were rejected yesterday by one of the unions, the Transport Salaried Staffs Association.

The biggest of the three organisations, the National Union of Railwaymen, suggested last week that a federal structure with TSSA and the Associated Society of Locomotive Engineers and Firemen would be the best way of approaching British Rail on pay and manning issues.

Advocates of amalgamation have also argued that it would strengthen the unions' hand in opposing rail cuts and influence-

ing the Government's proposed transport policy. But the TSSA conference, Scarborough yesterday, against amalgamation after Tom Bradley, the preside told delegates that the old two unions had shown enthusiasm for the idea.

Mr. T. Patterson, a Birmingham delegate, who said that there would be three points of view as long as there were three unions. "We have got to discuss the problem of national transport to-day," he said.

When this was pointed out, £900,000 a year will be presented to a tribunal—headed by Prof. J. Wood of Sheffield University—decided that the arbitration formula, and therefore the large for about 65,000 schoolteachers cost, should stand.

Teachers' pay cost error

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN unexpected extra bill of £900,000 a year will be presented to a tribunal—headed by Prof. J. Wood of Sheffield University—decided that the arbitration formula, and therefore the large for about 65,000 schoolteachers cost, should stand.

The rises, which the Government agreed to exclude from overall increases backdated to current pay policy, are from April 1, 1975, of 11.9 per cent, £281 to £402 (11.9 per cent) for teachers in inner London; from £267 to £287 (11.9 per cent) for teachers in outer London; and from £141 to £150 (6.4 per cent) on the both spotted calculating errors which, put right, would increase the cost to £3.5m.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS AND SPECIAL DEPOSITS

	April 21, 1976	Change on month
£m.	£m.	£m.
Eligible liabilities		
U.K. banks		
London clearing banks	18,789	+498
Scottish clearing banks	1,528	+11
Northern Ireland banks	824	+31
Accepting houses	1,691	+37
Other	6,009	+255
Overseas banks		
American banks	2,862	+23
Japanese banks	189	+22
Other overseas banks	1,748	-7
Consortium banks	138	-12
Total eligible liabilities*	33,913	+865
Reserve assets		
U.K. banks		
London clearing banks	2,516	+6
Scottish clearing banks	277	-4
Northern Ireland banks	87	-57
Accepting houses	307	-145
Other	1,303	+145
Overseas banks		
American banks	425	-34
Japanese banks	28	+3
Other overseas banks	316	+6
Consortium banks	38	+6
Total reserve assets	5,296	+56
Ratio %		
U.K. banks		
London clearing banks	13.4	-0.3
Scottish clearing banks	18.1	-1.3
Northern Ireland banks	16.4	-1.3
Accepting houses	18.1	-1.3
Other	21.7	+1.6
Overseas banks		
American banks	14.9	-1.3
Japanese banks	14.7	-0.3
Other overseas banks	18.1	-0.2
Consortium banks	28.2	+6.3
Combined ratio	15.6	-0.3

* Includes items in suspense and in transit.

	£m.	£m.
Constitution of total reserve assets		
Balance with Bank of England	263	+4
Discount market	1,834	+1
Other	194	-1
Tax reserve certificates	1,676	-5
U.K. Northern Ireland Treasury Bills		
Local authority	82	+25
British Government stocks with one year or less to final maturity	606	+27
Other	621	+1
Total reserve assets	5,296	+56

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to £m. £m.

	£m.	£m.
2—Financial houses		
Eligible liabilities	264	+4
Reserve assets	32.5	+0.1
Ratio (%)	12.3	-0.2
Special deposits at March 17 were £2.5m. (down £2m.)		
* Interest-bearing eligible liabilities were £22,797m. (down £236m.)		

مكتبة الأمل

هناك اعلان

THE BIGGEST CIGARETTE NEWS OF 1976.

Benson and Hedges King Size still at 47*^p for 20.

In last month's budget, the Chancellor of the Exchequer took the first steps towards changing the way tobacco is taxed in this country.

This eventually will bring us in line with the rest of the EEC.

The new system will considerably narrow the price gap between King Size cigarettes and ordinary cigarettes.

Benson and Hedges, however, want to give smokers of Special Filter the maximum benefit of this change at once.

Therefore the price of twenty Special Filter stays at 47^p for the moment while the price of less expensive cigarettes goes up. It may be necessary to add a halfpenny or so sometime soon. But for the moment you can go on buying your Special Filter King Size at 47^p.

And if that isn't the biggest cigarette news of 1976, we don't know what is.



Pure Gold still at 47*^p for 20.

FINANCIAL TIMES REPORT

Wednesday May 12 1976

Record and Music Publishing

The U.K. record industry has not had an easy time recently, but most companies have still produced profits. There is danger that severe taxation will force some of the industry's biggest money earners to operate overseas.

records outside the "Top Fifty," the way they dominate the air-reflecting the success of the commercial radio stations in building up local hits. On the other hand the mass of Top Twenty records are not selling so well. While a Number One manages 100,000 weekly sales, the sixth most popular record is around the 20,000 mark. Obviously customers are confining their weekly purchases to one or two very popular records rather than the three or four they might have bought in more prosperous times.

There are the same fluctuations among albums. A few are selling extremely well but the run-of-the-mill, full priced album is experiencing some difficulties.

Those budget albums with good distribution, such as Pickwick are prospering, but on the whole albums could be suffering slightly from the increased popularity of tape.

To some extent the picture of a few big hits and many small misses reflects the changes in the record industry since the 1974 boom. The companies are releasing fewer records and attempting to market them more effectively. Phonogram, for example, which with its sister company Polydot (both are owned by Philips-Stemmen) is second in the U.K. to EMI, only releases three or four singles a week - nowadays, a typical situation.

Last year 3,500 singles were released, a fall of 500 on the previous year, and so far in 1976 there has been a further reduction. At one time this caution in the singles market might have been explained away as a result of the fact that singles, despite

Rising

The caution inspired by rising costs and stable revenue not only reduces the number of records released. It has forced companies to eliminate the extravagant parties which were a feature of the industry and to be much more realistic when signing up new artists. A few years ago artists with any glimmer of talent might find themselves the subject of competitive bids from free-spending record companies prepared to offer enormous advances.

Those days are past, although the hunt is still on for new talent, in particular for a group to replace the Bay City Rollers in the affections of young girls. Those records that do appear are likely to be more thoroughly promoted. The record industry has only recently discovered the effectiveness of advertising, in particular, television advertising. It was taught the lesson by specialist TV promotion companies, such as K-Tel and Arcade, but it hit home and last



Elton John: here to-day but gone tomorrow?

has been on the distribution side, and the emergence of three multiple chains—W. H. Smith, Woolworth and Boots—as major record retailers, are accounting between them for around a third of all sales.

It has caused the closure of hundreds of small record shops, and only the best-run specialists are likely to survive. Already just 5,000 retailers sell full-priced records. The problem with the major chains is that they sell records at a considerable discount, and that they stock only the certain best-sellers. It stifles new talent: reduces profit margins all round; and greatly limits choice.

For the smaller companies one way of getting distribution is to work through Record Merchandisers, which is owned by four of the leading record companies, EMI, Decca, Pye, and Polydor-Phonogram but operates quite independently. Record Merchandisers carries out a rack jobbing operation in 1,500 outlets, ranging from garage forecourts to Woolworths.

Managing director James Arnold-Baker reckons to place £18m. worth of record sales this year but is worried that the contraction of the market into so few retail hands will produce an American situation whereby the major multiples largely determine the type of record to be produced. There has already been a reaction in the U.S. with new types of outlet emerging—giant, edge-of-town, record supermarkets, offering the range no longer available in the chain stores. The main victims of the con-

centration of sales into a limited number of hands, and then the further refining because the multiples only stock the top-selling albums and singles, are the smaller record companies which have played such an important role in creating new talent in recent years. Companies like Island, Chrysalis, Magnet, DJM, and the American owned Bell have to place all (or most) of their distribution in the hands of the majors to be certain of access. Then there is the feeling that they sometimes come off second best to their distributing companies' own records.

Complaint

Stephen James of DJM voices a typical complaint. When its album "Elton John's Greatest Hits" is being promoted at a cut-price by W. H. Smith or Boots it does not feature in the crucial list of the 50 best-selling LPs, even though sales are very high. This is because Boots and WHS do not return sales figures. When the album is not sold at a discount, it is bought in outlets which do make returns, and gets back into the key charts, even though actual sales are lower.

It is such vagaries which make the record industry so fascinating. At the one level it is dominated by well diversified, multi-national, corporations; at another by young entrepreneurs whose main problem is to retain some of the millions that can be made from international success. Tax is certainly a running sore at the

moment, with the Government losing a vast amount of money by chasing artists like Elton John and Rod Stewart out of the country.

Last year Elton John sold more records than any other artist. He has also recently moved himself and his own record label out of DJM to EMI for one of the biggest deals in record history, guaranteeing him over 20 per cent. of the retail price of his recordings (after VAT). With albums selling for around £2 in the U.K., and much more in markets like West Germany, and Elton John credited with sales of 5m records a year, the singer's income from records alone can quickly mount into the millions.

Some of the vast fortune can be channelled into developing new artists and in building recording studios, but it is unfortunate that a compromise cannot be reached between the Government and the leading pop artists so that they can retain more of their earnings and their residency in the U.K. For if the artists depart and make their albums elsewhere the U.K.'s role as price-setter in the world of music could easily be threatened.

Already European artists like Abba, Demis Roussos, and Focus, are making an impact in the U.K., and most of the new sounds, such as the interest in country music are stemming again from the U.S. In 1975 the U.K. record industry will be fighting harder not only for profits at home, but also to safeguard its position as the creative source for the much vaster foreign markets.

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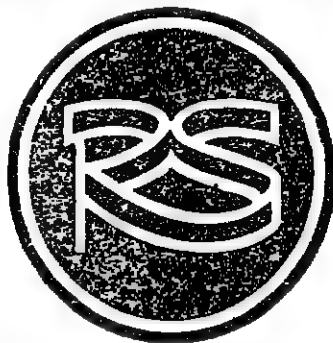
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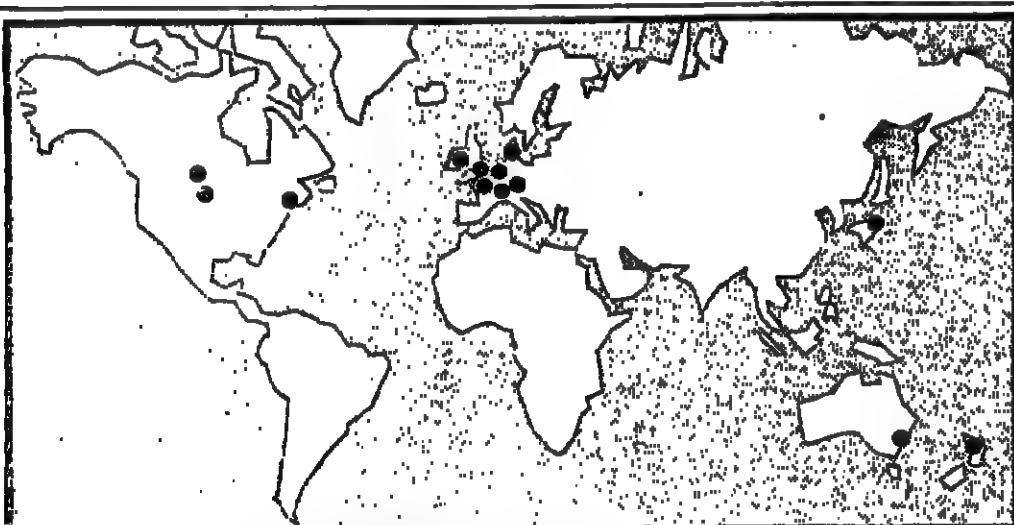
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RECORD AND MUSIC PUBLISHING II**Independents fight back**

ALTHOUGH A bleak economic climate traditionally does least harm to the monolithic, multi-tentacled major recording companies there is every sign that the British independents are fighting back with the traditional weapons of the small man; selectivity, know-how and on-the-ball salesmanship.

The largest of these "indies," as they are known, Island Records, nowadays bears the air of an affluent, middle-sized company. Its compact, stylish office premises, just outside London's centre, indicate Island's current business situation — halfway up the table in long playing album sales according to the latest quarterly British Market Research Bureau estimate and looking to challenge some of the currently less successful majors.

Island is a fair example of steady growth from an original market gap. Founded in the early 1960s by Chris Blackwell, who then lived in Jamaica, it specialised in West Indian "bluebeat," a forerunner of reggae. All through the 1960s Island concentrated on black-derived music and with the advent of hard core reggae artists such as Bob Marley in

the 1970s Island was well-placed to reap the new harvest. But the company has shown equal aptitude in the lucrative area of white rock. Island has the trendsetting act of the 1970s Roxy Music.

Again, the talent has been for seeing potential when others were merely content to jump on bandwagons. Roxy, at one time, appeared to be an unusual but dubious musical quantity, whose glamorous appeal was viewed with suspicion by an industry still concentrating on dour heavy rock. This ability to judge potential has since borne remarkable fruit. Each Roxy album climbs to near the top of the charts and simultaneously sheds a hit single.

This year Island received a bonus. A Roxy member, Andy Mackay, wrote the music to TV's "Rock Follies" series and the resulting soundtrack album leapfrogged to number one in the album charts. It has already achieved gold disc status for £250,000 of sales. With former Roxy member Brian Eno receiving critical acclaim both here and in the U.S. for his latest album, Island may well be able to spot talent in depth.

"Rock Follies" publishing royalties will also accrue to Island, another factor important to independents. Publishing has always been the quiet oilfield upon which the industry thrives and more small record companies are trying to find success in this aspect, process, under one roof. The vigorous entrepreneurs required to work this kind of system are showing increasing antipathy towards the major companies, whose interests, they feel, are as often as not tied up in hi-fi or nautical communications systems as much as in records. A major company middle executive confided bitterly about the civil service style of his company, which inhibited his free access to promotional possibilities, and this on a label which had already been designated its own office set-up by the parent.

A famously energetic entrepreneur is Jonathan King, a Cambridge graduate who achieved pop fame in the 1960s with his whimsical song "Every-one's Gonna Be The Moon." King runs U.K. Records, a small independent which specialises less in durable album talent and more in one-off "instant" hit

singles, some of which have been written and performed by King himself but released under a different name. King's recent big success, "Una Paloma Blanca," was a Spanish holiday type of song which beat a rival version into the charts, presumably with the assistance of King's industry promotional contacts.

Healthy

This sort of song could also expect healthy continental sales. "Paloma Blanca" had a real touch of Eurovision to it, and the Continent is more receptive to this kind of release than the U.S. has been in the past. Mr. King has kept a very small roster on U.K. and he sometimes buys a pre-recorded master tape from a new act to try to generate a one-off hit. The act will not be signed to contract and U.K. will offer them a fee, say £200 for the master, plus a slightly less than normal share of royalties.

However, there are signs that U.K. may be trying to balance its policy by looking for longer-lasting acts. They already have the Kersals Flyers, a respected club circuit band who were last year the subject of a TV docu-

mentary, and Mr. King's brother, Andy, takes an active part at U.K. these days sounding out new rock acts at club level. A U.K. spokesman says that "We always have our eyes open for new bands and will try to contract artists for periods of time," adding significantly that "Jonathan doesn't like to be categorised."

The Kersals Flyers have something of a following in Scandinavia and this will be carefully cultivated, not so much for tour profits but with an eye to stimulating local record sales. The cost of touring is often prohibitive, but Island has not so far been daunted by this although it has built up for and picked the moment to send to America two of its biggest acts, Roxy Music and Bad Company.

Most British independents are at a disadvantage to companies like CBS in that they have a roster composed entirely of home-grown artists. A large number of name American acts of advance sales insurance but also the absence of recording costs. The majors have their own distribution organisations, too, both here and abroad. Even Island, the large "indie," uses EMI for its distribution, although Island does distribute for other, smaller labels.

Virgin Records is helped overseas by having on its books two established continental bands, Can and Tangerine Dream. The Virgin label grew out of Richard Branson's "alternative culture" mail order record shops and although those shops now form a small (and very aware) chain, the name Virgin these days includes a record company, studio and publishing house. Virgin has utilised its knowledge of student and youth buying habits to carve a small but effective

niche. So effective in fact that its star performer, Mike Oldfield, has now sold nearly 1 units worldwide of his ep quasi-classical album "Tubel Bells," the first British act to be manufactured for systems of quadraphonic sound. Different again is Magnet Records whose artists, Al Stardust and Guy's and Dolls, watchwords in instant pitching for a lucrative audience composed of TV-watching mag and not a few mums, Mag last year scored 13 hit singles in the Music Week Top 50 charts. Magnet is currently moving soul group Silver C to Virgin and is using a promotional 60p-off album offer to outlay campaign in a carefully assessed market area.

The market share is currently fluctuating for independents. Island was recently forced to raise its record prices, and its album share has dropped markedly. Conversely, Virgin has increased its share in albums. Although the climate is by no means certain it should be mentioned that some major companies seem to be on a slippery slope. Although the top majors have a lion's share of things, the latter independents are holding their own and are continuing to attract the executive talent vital to their development.

David Redsh

Classical and budget sales pick up again

IN A YEAR of general economic gloom it comes as a mild surprise to discover that both the classical and budget sectors of the market have weathered the storms in reasonable shape, the more so since a high proportion of record sales are accounted for by the "impulse" purchase, the sort of spending that is bound to take a hammering during a recession.

Sharp price rises in both fields have also not affected sales as badly as might have been expected, partly because of heavy discounting by major outlets such as Boots and W. H. Smith.

Mr. John Patrick, General Manager of EMI's Classical Division, comments that sales at the end of last year fell below forecasts, but that now they are picking up again. Although the company's top-priced label has risen in price from £2.40 in 1974 to £3.25 now, Mr. Patrick points out that these rises had only a marginal effect on volume sales. And the company's confidence is reflected in the rebuilding of its Concert Classics mid-priced series and by the launching of a new "easy listening" label, selling at £2.50, planned for July.

What is perhaps most surprising about the recording of classical music is that there is so much of it going on, and in some cases that it happens at all. Rising costs in the U.S. in the late 1960s forced American recording companies to bring their artists to Europe to record with European orchestras, and this produced a recording boom in London. But now it seems that rising costs in Western Europe are driving the companies to look further east, to the heavily subsidised set-ups in Leipzig, Prague, Dresden, etc. for at least part of their operation, and this is at least partly why the four main London orchestras worked 182 fewer sessions last year than in 1974, a drop of 7.6 per cent.

Amazing

The classical market, however, has an amazing ability to absorb its unimpeachable version of a favourite work—up to 30 in some cases—and still produce a profit for the manufacturer. It is a myth that the classical side of the business operates for prestige rather than profit. In making any decision about whether to go ahead with recording a particular work, the companies have to take a careful look at the potential market in the U.K., Europe and the U.S. While it is probable that a record of Herbert von Karajan blowing his nose would sell its usual 50,000 copies and make the company a handsome profit, the costing of such projects as recording the operas of Meyerbeer and Massenet—operas that are seldom seen on stage—has to be much more carefully calculated.

These sort of considerations, therefore, must weigh heavily on a U.K. company when it wants to record large works, such as the oratorios of Elgar or the operas of Vaughan Williams or Debussy. They cannot expect very high foreign sales, and it is here that sponsorship is playing a bigger part, both from such organisations as the Dellore or Vaughan Williams Trusts or from commercial bodies. An example of the latter was the personal determination of Peter Moores to record the English Opera production of Wagner's Ring cycle under the direction of Reginald Goodall. Two operas have so far been issued, sponsored by the Peter Moores Foundation, with sales

surpassing expectations, a third (*The Valkyrie*) is in the can, and it is intended to record the last one in the autumn.

Sponsorship is also becoming a bigger factor at the cheap end of the market. For a long time after their introduction in 1958, the budget labels dealt solely with reissues — "retreat" albums that had already paid for themselves at full price. To-day there is a much wider range of material available, from jazz through country and western, cover versions of current pops and TV theme records to the many classical labels, some of which are operated very successfully by small independent companies.

Provincial

One of the most valuable functions of the cheaper-priced labels has been to introduce to the recording studio several of the British provincial orchestras. Both the Scottish National Orchestra under Alexander Gibson and the Hallé under James Loughran have sponsored themselves, so to speak, by paying their own orchestral fees. Music for Pleasure (MFP), the EMI company which issues the orchestras' records on its Classics for Pleasure label selling at £1.35, pays the recording costs and also pays a royalty to the orchestras. Among other sponsors on the same label are the Scottish Mutual Assurance Society, which has provided money to record Scottish Opera, and W. D. & H. O. Wills, whose Embassy Master series with the London Philharmonic Orchestra has produced some notable issues, among them a version of Mahler's Fourth symphony conducted by Horenstein, which has so far sold 84,000 copies.

MFP Managing Director Richard Baldwin reports that 1975 was a comparatively disappointing year. During the year to June, 1974, the company sold 11m. records out of an industry total of 108m., but last year's figures were below this. However, the last four months have shown an encouraging growth in sales, and MFP is about to launch a new label called Fanfare, to retail at 87p and using "non-star" material.

Until last year the budget market—taking budget to mean records selling at up to £1.50 and cassettes at up to 22p—was divided up into a third each for MFP and Pickwick, with Contour taking a further 10 per cent. Now it seems that Pickwick has edged ahead, particularly since it has now taken over the Contour label, many of whose recordings it will be reissuing in July.

Pickwick International Managing Director, Monty Lewis, says that business is booming: "We have never been busier in our lives." The company, whose records on the Hallmark, RCA Camden, Marble Arch and Camden Classics labels, retail at £1, has some star-studded material to draw on: Elvis Presley, Jim Reeves, Andy Williams, Frank Sinatra, Johnny Cash, etc. to say nothing of the RCA classical catalogue appearing in the Camden Classics, which have sold 1.5m. copies since their

launch in April last year. The latest move is a series of double albums retailing at £1.98, which have sold 1.2m. copies in the eight weeks that they have been on the market.

At least part of the reason for Pickwick's success, Mr. Lewis reckons, is that the price has been kept to £1, and the hope is to avoid a further rise for the rest of this year. With most of the competition priced at 25p or 50p higher, he may well have a point.

Tape sales in both the classical and budget fields are doing well, as would be expected with the growing interest in cassette reproduction. MFP's top tapes, which retail at £1.85, are currently outselling the equivalent discs, and in one particular week recently the best selling tape outsold the best selling LP.

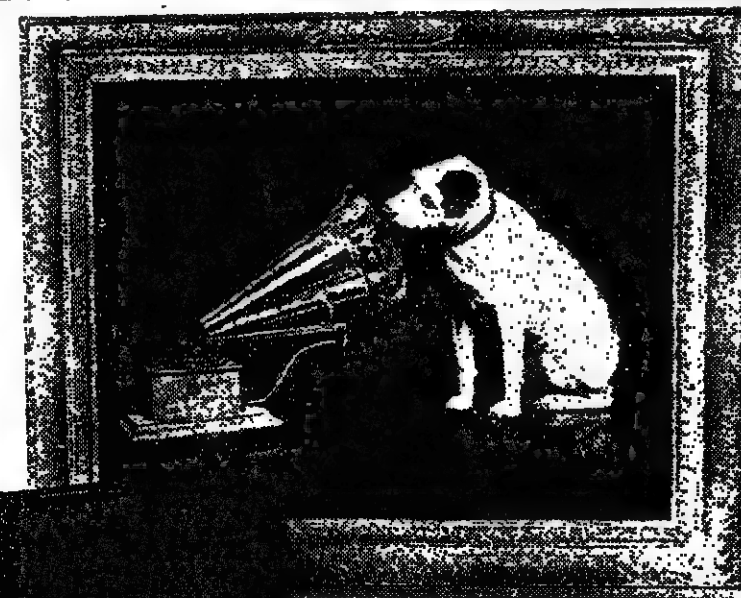
One problem that has still to be satisfactorily solved is that of shoplifting: LPs can be racked as sleeves only and thus present no problem, but cassettes generally have to contain the actual product in some form of packaging. The risk of theft is therefore much greater, especially since much of the budget repertoire is sold through non-specialist outlets such as Boots, W. H. Smith and Woolworth and, as an impulse purchase, is displayed near the shop entrance.

Colin Inman

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RECORD AND MUSIC PUBLISHING III

Small publishers edge into market

MUSIC PUBLISHING in Britain is a possibility of earning for himself the profit that formerly went to the publisher if he sets up on his own. Equally, of course, he faces the prospect of making losses if his administration is not satisfactory or his inventiveness fails. This can and does happen, and there is no doubt that small independent concerns have recently been having a tougher time of it because of the general stagnation in the single record market. Songwriters with an organisation eating up costs are vulnerable to the sharp switches of fashion in the industry, which can sweep a man to success one day but then ignore his best efforts for months on end.

Eager

Nevertheless, many of the younger writers and singers have been eager to go their own way, investing in a slice of the action for themselves by forming their own company. Not all go the whole way towards independence: they may farm out the collection of royalties and some of the purely administrative work to independent organisations for a percentage. But probably a half of all new pop songs that get on to a record these days come from organisations like these. Some of the newer companies have already developed a full range of activities. For example, Big Secret Music, a concern set up about four years ago by two songwriters, Mr. Doug Flett and Mr. Guy Fletcher, who had previously worked for large companies, manages virtually the whole gamut of activities itself.

Although they want the company to remain small, the two of them have taken on four other singers and writers. To-day, they behave very much like a small offshoot of the giant concerns, writing and taping records to sell to the recording concerns, and then promoting the product all over the world while collecting the royalties as well. From the point of view of the original partners in the enterprise, the venture has been

a success, says Mr. Flett. Commercially he is better off than working for a large group. But equally he believes independent concerns like Big Secret Music can offer the writer/singer trying to break into the business better opportunities.

In large concerns, he argues, writers are often left too much on their own to think up ideas. "They can get left on a shelf." In the smaller organisation there is more creative contact and encouragement; and at the same time, promotion can often be more sensitive to what is needed because the people who are doing the promotion have a closer contact with the material that is actually being produced.

Mr. Flett, one of the co-writers of Fallen Angel, a song currently in the charts, also believes that the small concern, giving personal attention to the artist or writer, helps in the highly international world of pop music to-day. For example, one of the writers in the company has this year had a record at the top of the Brazilian hit parade. Equally some songs that never get off the ground in the U.K. do well in the U.S. or Australia, and vice-versa. Again, a sound knowledge of the international market can pay dividends in publishing songs in the right areas.

Naturally the larger publishers do not agree with this assessment of their relative merits. Roland Rennie, for example, creative director at Chappell, founded in 1811 and one of Britain's longest established publishers, says that the company invests heavily in new talent. Indeed, part of the reason he was appointed to the job about 18 months ago, after a successful period in the group's record business, was to bring along new talent and then see that it was properly exploited. "People forget that we invest heavily in new writers," he says, "often with no return for a considerable period."

Mr. Rennie is typical of a new breed of managers now coming into the publishing business who are much more active in

trying to mobilise the assets that these companies have than some of their predecessors. The current mood of nostalgia, for instance, developed in the resurrection of the early Beatles and several Glenn Miller records is partly due to a deliberate attempt to make money out of what had been a relatively dormant asset.

The strength of the established publishers lies in their "back catalogues"—the old numbers to which they have copyright under publishing contracts. Generally they retain these rights for 50 years after the writer's death; Chappell, for instance, has 250,000 of these titles, only about 10,000 of which will be active at any one time.

It needs little imagination to show that a back catalogue con-

taining a few old favourites can be a very valuable asset: Chappell, for example, has many rights to songs by Richard Rodgers, George Gershwin and Cole Porter. The wealth of talent already existing in these copyright libraries was one reason for the rapid coalescence of the recording and publishing industries in the last few years, which really started when Philips, the Dutch electrical concern, bought Chappell in 1968.

Other companies affected were Northern Songs, the Beatles concern, which was bought by ATV and merged with Lawrence Wright, Keith Prowse Music, which was put together with a group of MGM companies by EMI and Boosey and Hawkes, which now has close management and shareholding links with Carl Fischer, the American company. In these groups, the theory goes, there is more opportunity for combined promotions, and possibly some reductions in overheads because studios can be more efficiently used.

In practice these arguments often break down under the high level pressures usually produced in creative organisations: costs are not always easy to control, and publishers often use alternative recording com-

panies to their own in-house operation. What is not in dispute, however, is that the developments of recent years have tended to bring a more vigorous attitude to traditional music publishing. The big companies have recognised the fact that their existing copyrights will not see them through for ever, and have gone more strongly into the undisciplined world of modern pop.

Without their tremendous strength in the bread and butter business provided by a strong back catalogue, they could not go out and back so many younger artists, argues Mr. Rennie. This is becoming an increasingly complex business, with more and more agents and intermediaries coming between the artist and the recording studio. The large companies will probably come to depend more and more on dealings with the smaller independents, buying them out and doing deals on particular catalogues to supply them with their base of business for the future.

But it is still a healthy business to be in, particularly in London, which is still regarded by many as the centre of world pop. "Publishing is better than fringe banking any day," said one songwriter the other day.

Terry Dodsworth

Major producers change their tack

IT LOOKS AS IF the multinational companies are reasserting themselves in the U.K. record industry. In the early 1970s sharp-witted young men, like Jonathan King and Mickie Most, hit on the formula of discovering a song and artist, making a tape, and selling it to a major record company for world-wide exploitation.

For a time everyone gained. The new entrepreneurial forces were happy developing new talent while the big manufacturing and distributive forces, like EMI were pleased to take the percentage on pressing and sending out best-selling records. But now there has been a change of heart among the majors, and they are attempting to build again their own artists.

They are helped by the fact that in retooling, large organisations in the form of Boots, W. H. Smith and Woolworth,

now account for around a third year or so it has been busy developing or signing up new acts. Its greatest success has been with Queen, but it seems financially quite prepared to pay enormous sums for such established artists as Elton John. Since EMI does not have John in the very lucrative American market, it is quite possible that M, established subsidiaries in London. Some, especially CBS, have made a profit over here; others have found the going less easy, and have trimmed down their operations. But the hunt is still on for likely British musicians. At the moment, for instance, the three best selling albums in the U.S. are all by British artists—Led Zeppelin, Wings and Peter Frampton—and all told 12 of the top 20 are either British or Australian. Such rewards can pay for many failures.

For some small companies, important label has now like DJM, overseas sales can account for 85 per cent of turnover but the majors tend to come but the majors tend to operate through autonomous overseas subsidiaries. The U.K. CBS, avoids distribution and marketing deals, and prefers to put all its energies into developing its own artists.

Like other companies which made their reputation as sellers of albums, such as CBS and Warners, Phonogram is now looking towards "breaking" singles, because of the boost it gives to company morale, because it popularises the album sales of artists, and because nowadays a really hit single can be very profitable. But so far Phonogram has had more success in erecting interest in the artists of its European sister companies (who is signed to the French subsidiary) than in gaining "singles" sales.

Warners is doing well at the moment because it has recently released new albums by Led Zeppelin and the Rolling Stones, and RCA is getting a boost from John Denver and David Bowie. But the great surprise in recent years has been the resurgence of Pye, which is now giving Decca a run for its money among the British-owned record companies. In particular, Pye hopes, to sell 10m. copies world wide of its European Song Contest winner from the Brotherhood of Man.

In the past Pye has suffered from its lack of international connections. For EMI and Decca, the U.K. market is just one of many areas of operation and a recession in the U.K. can be compensated by successes in the U.S., which accounts for over a half of world record sales, and in Germany and Japan, both of which are larger and more profitable than the U.K. More than most industries, the record business operates on a worldwide basis. The U.K.'s importance stems from the fact that British artists are popular in the overseas markets rather than from the profits in domestic sales.

This is mainly why the American companies like CBS, Warners, RCA, ABC, and A and M, established subsidiaries in London. Some, especially CBS, have made a profit over here; others have found the going less easy, and have trimmed down their operations. But the hunt is still on for likely British musicians. At the moment, for instance, the three best selling albums in the U.S. are all by British artists—Led Zeppelin, Wings and Peter Frampton—and all told 12 of the top 20 are either British or Australian. Such rewards can pay for many failures.

For some small companies,

Complaint

A similar complaint is still made against the EMI which continues to concentrate on playing singles even though, in terms of revenue and in musical appeal, albums are much more important. Fortunately the commercial radio stations are prepared to take more chances than the record companies still have to devote a great deal of time trying to start bona fide albums of favourable publicity and direct new hopefuls in an effort to get on play lists. Once a record is heard a momentum is built up. Exposure brings sales which ensures an appearance in the charts, which ensures even more plays, and so it goes on.

There is a feeling at EMI that the tougher trading conditions this year will encourage a revival in the sales of Budget records again, an area which some companies abandoned because of poor profit returns and falling sales. There is also optimism about tape, but not over ridge sales which are very depressed. In the mean time record industry has known tremendous and unpredictable success for over a decade now, so that there is always the belief that, while the competition suffers, the right record will turn up and change a loss into another good profit.

It is one of the attractions of the industry that the fortunes are soon forgotten and the latest recording is the best ever. The majors will have the resources and the experience to make the most of any opportunities that occur this year to make a good return in hard times.

Antony Thorncroft

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VAT warnings now reality, say Tories

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Foreign authors excluded from Bill

THE GOVERNMENT was defeated yesterday when the Lords voted to prevent overseas authors receiving payments under the proposed public lending right scheme.

The defeat came on report stage of the Public Lending Right Bill which sets up a fund to make payments to authors for books borrowed from local authority libraries in the U.K.

Voting on an amendment moved by Lord Willis (Lab.) was 118 to 92, a majority against the Government of 66.

The amendment restricts the scheme to U.K. citizens, authors living in the U.K. for a prescribed period, or authors who are citizens of countries with substantially similar schemes for U.K. authors.

Lord Willis said there were fears that popular American authors could cream off a considerable amount of the limited funds available under the Bill.

Lord Donaldson, Minister for the Arts, said that to accept the amendment would be to run the risk of appearing to avoid the spirit of the Berne Convention and the Universal Copyright Convention.

Although not in the Bill, it was intended that the public lending right scheme would be subject to a maximum payment so that best sellers would not scoop the pool.

Suspected exchange offences

THERE ARE about 230 cases of suspected exchange control offences currently under investigation by Mr. Robert Sheldon, Financial Secretary to the Treasury, stated in the Commons yesterday.

He said this compared with about 180 at the comparable period in 1974 and 1975.

Mr. Sheldon told Mr. Ian Wrigglesworth (Lab., Harbury): "Experience shows that many of these will be disposed of quickly and easily, because either no offence is revealed or the offence is of a minor nature."

"A few of the investigations are likely to prove lengthy and difficult, and the work on them largely accounts for the current increase in cases outstanding."

Noise levels studied

TECHNICAL advisers of the Department of Trade are examining the findings by the Local Authorities Aircraft Noise Control Report, which has renewed the controversy over the noise levels generated by Concorde.

THE OPPOSITION last night claimed vehemently with the Government, charging Treasury Ministers in the Commons with a "major error" of tax judgement in imposing the higher rate VAT, and thereby raising the State borrowing requirement by £400m.

Brushing aside Government front bench interruptions to rebut the accusations, Mr. David Howell, Tory finance spokesman, claimed that all Opposition warnings of the loss of 25 per cent. VAT rate would bring to the revenue had been disregarded by the Chancellor, Mr. Denis Healey.

There were calls from the Tories for Mr. Healey's presence on the front bench as they began their first night attack on the committee stage of the Finance Bill with demands that the Government's proposed cut in the higher rate VAT from 25 per cent to 12½ per cent should be scrapped in favour of a consolidated rate of 10 per cent.

Mr. Robert Sheldon, Financial Secretary, standing in for Mr. Healey at this stage, vigorously defended the Government from Opposition arguments that the intended one-rate VAT had been transformed by the Chancellor into a kind of economic regulator with all the faults, difficulties and anomalies of the old multi-rate purchase tax.

In rejecting the proposed amendments, the Government raised an argument likely to be used on future occasions during the forthcoming battle over the level of taxes in the Bill, which implements the Budget.

This argument, put forward by Mr. Sheldon, contended that the Government's 4½ per cent pay agreement with the TUC had been based on the Chancellor's Budget proposals, and alterations could introduce some distortions affecting the agreement that could be unfair.

But, in this instance, Mr. Sheldon put more stress on the point that the form of VAT operating in the U.K. was much more restrictive than that which applied in other countries. It raised special difficulties in the way of altering the rates of the tax, particularly between 12½ per cent and 25 per cent.

Disappointed Tories pointing out that they wanted a 10 per cent rate, raising no awkward fractions, called for a division, but were defeated by a Government majority of 17 (202-185).

Mr. Howell, urging the introduction of a standard 10 per cent VAT, contended that so far from such a move depleting the Revenue, it would increase it because the present standard rate of 8 per cent would be replaced. The Opposition's warnings on the effect last year of introducing a high 25 per cent rate had been disregarded, Mr. Howell complained.

But all those warnings had come true. As the Tories had foreshadowed would happen, people had been thrown out of work, industry severely hit, exports damaged, imports favoured and investment prejudiced.

In the present Bill, the proposed halving of the higher rate to a level of 12½ per cent was an attempt on the part of the Treasury to put the matter right.

But in this effort, another mistake had been made. This mistake arose because a 12½ per cent rate on top of the existing 8 per cent rate would still leave the system stuck with the appalling need to divide goods up into the category of essential (at the lower rate) and less essential (for taxing at the higher rate). The absurd anomalies would remain.

Mr. Howell, pointing out that the Finance Bill becomes law in its present form, Mr. Robert Sheldon, Financial Secretary to the Treasury, told the Commons yesterday.

Mr. Howell maintained that the overall effect of the measures proposed in the Finance Bill, together with the conditional tax reliefs and the administrative

changes outlined by the Chancellor in his Budget speech, would be a net saving of around 1,500 staff in tax and collection offices by the end of this year, and of about 2,200 in the following year.

Mr. Sheldon added that further savings would result in due course from the new system of relief for life assurance premiums.

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Mr. Jenkins told the House: "My conclusions about the shift in the balance of evidence in the case are such that it would not be right for Mr. Davis to remain in prison any longer."

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There was a spate of questions from MPs who found the Home Secretary's action highly unusual, despite his assurance that he was following precedent and conforming to normal procedures.

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The Executive's World

EDITED BY JOHN ELLIOTT

Whether Governments should gear higher education to the needs of industry is a live political issue both in the U.K. and elsewhere in Europe. **MICHAEL DIXON** explores the debate so far

Educating the 'wealth creators'

ITAINS INDUSTRIAL and commercial interests have recently been relegated so contentedly that many managers may have missed a further blow to the "wealth-creating" prospects of doing it effectively. The blow came a few days ago by a speech by the Minister for Higher Education, Lord Crowther-Hunt, who confirmed that the Government had ruled out a reduction in the mismatch between the student output of universities and polytechnics, and the manpower needs of industry and commerce.

This Government decision is in direct contrast to Governmental measures being taken in other countries where they have been passed by demonstration led by Left-wing factions and in Sweden, where they seem to have been widely accepted as desirable.

Mr. Fowler's announcement so flies in the face of mounting complaints from industry and commerce that the kinds of people being produced by the education system are far from those needed to run the "wealth-creating" sector of the country.

The situation becomes more worrying still in the light of a background to Mr. Fowler's announcement, because it is a deliberate reversal of the policy advocated by his predecessor as Minister for Higher Education, Lord Crowther-Hunt, while the policy disagreement has come to public view, a clash between two men, whose observations of the educational scene suggests that it is really much more. It is significant that the educational civil servants have allied with the teachers' unions and associations to push the Government into re-establishing a united front on the idea that any interests other than their own should have power over what Britain's 20th-plus education system teaches, or the kinds of trained people it produces.

It is just a year since Lord Crowther-Hunt outraged the educational profession by declaring that it would simply not do to go on allowing universities and polytechnics to produce "whatever people they fancy". Instead, he added, the country needed to adopt a "broad brush" manpower-planning approach so as to make higher education's output more appropriate to the requirements of the working world. Between stating this and being unwillingly switched to a Ministerial post on devolution in January, Lord Crowther-Hunt suddenly became most strangely reluctant to expand on his manpower-planning ideas. For example, he cancelled an engagement to speak on it at the Institute of Personnel Management's annual conference last autumn.

At the time, happening to meet a senior official of a Government-sponsored industrial body, I asked if he knew the real reason for this cancellation. "I've tried to get in to see him at the Department of



Lord Crowther-Hunt

Mr. Gerry Fowler

Education and Science," the official replied. "There's a ring of civil servants standing round him with spears."

But any doubt remaining that the former Minister of State had been gagged by a hostile Department was finally removed last week. Having handed in his devolution job when Mr. Callaghan became Prime Minister, Lord Crowther-Hunt stood up on the platform at the Institute of Personnel Management's London conference, and said: "Now I've resigned from the Government... I can say what I want to say without getting anyone's permission or approval, and without pretending that I'm going to talk about something different... I'm going to talk about manpower planning and bridging the gap between higher education and the needs of industry."

He then proceeded to point out some lessons from his period of governmental responsibility covering the universities and polytechnics of the higher education sector. In the more economically successful Continental countries such as West Germany, France and Sweden, he said, a management career in industry and commerce was more highly regarded among the people to whom the largest sums of educational spending had been devoted, than it was in Britain. But there was another difference. The trained people who went into industrial management there were largely what he called "technical generalists."

He referred to a survey in France of a sample of chief executives of the largest companies which had indicated that six out of every ten were engineers by training. Another three had qualified in economics or law.

By contrast, he said, the relatively fewer products of the most expensive levels of education who went into industrial and commercial management in this country, had been educated in a more specialised academic way. A public school background and an arts degree seemed to be the usual route to top jobs in the U.K.'s wealth-creating sector.

"Britain's higher educational institutions, unlike some Continental and North American ones, have failed to provide industry with ambitious and able generalists with qualifications which are predominantly scientific and technical—including engineering. And those qualified in engineering and science have tended to be recruited into British industry for their technical expertise, rather than as potential administrators and managers. There we have the two things which are fundamentally wrong."

Even so, continued the former Minister—an Oxford don, who is an historian by training—"we are now having the absurd situation in which the universities are spending money converting empty science and engineering places for use by those wanting to read for arts degrees, and the polytechnics are devoting an increasing amount of their efforts to the production of sociologists. And it is in the universities' interests to fill their places with anyone, because that's how the University Grants Committee's grants system works."

Lord Crowther-Hunt then repeated his belief that the kinds of places provided in universities and polytechnics could no longer be left predominantly to the institutions to decide.

He also explained that the manpower-planning approach he was advocating was of a distinctly light-handed type. It would be based on the compilation, from the best evidence that could be obtained, of "a very

a willingness always to blame the other chap first will not help us in securing the best match between the output of the education service and the requirements of employing agencies," he said.

This may be a victory for the educational civil service, but to all other intents and purposes, Mr. Fowler's words represent a triumph of hope over experience.

The same exhortation has been made with ponderous regularity over the period of at least 17 years since evidence of the mismatch first came to official attention—a period in which great increases in public spending on higher education seem to have served only to make the problem worse.

The odd thing is that the present political leadership of the department has hitherto been at pains to show its concern about the gap between educational supply and economic need. Mr. Fred Mulley, the Education Secretary, last month publicly called on schools to produce 10 per cent. more people academically trained in maths and science to serve the nation's industrial recovery.

So the most likely reason why our education Ministers have now renounced the corrective action which experience shows is needed to bridge the gap, is that they were compelled to do so by the organised pressure which Mr. Mulley's Department and the teachers' unions and other professional associations.

This suggests that if industry is to hope to improve its manpower supply, it will have to set up some organised pressure to balance that of the educational interests. And it needs to be concerted pressure, because the individual complaints of even prominent industrialists have been obviously fallen on barren ground.

It is surely time, for instance, that the Confederation of British Industry and the other employers' organisations abandoned their noticeably cap-in-hand attitude in their relations with the education system, and started speaking up for the real interests of the working bodies whom they represent.

Entrenched attitudes, the defence of vested interests, and



A continuing role for the ITBs

BY ELSBETH GANGUIN

THE CHANGING pattern in training over the past few years has had a considerable impact on the Industrial Training Boards which were created under the 1964 Industrial Training Act. On the one hand their activities have been overshadowed in political terms during the past year or so by the Government's special training measures linked to concern about unemployment. In addition, the 1973 Training Act removed the Board's direct contacts with the Government through the Department of Employment by setting up the Manpower Services Commission and its specialist arm, the Training Services Agency.

Despite these changes, however, the Boards (known as ITBs) have a continuing role to play in the development of a national training system.

The 24 ITBs' administrative costs, which run to approaching £30m. this year, are now met by the public purse, as are "key" grants which are intended to stimulate training in stipulated areas and amount to about £15m. this year.

The ITBs do, however, still collect levies from their industries, but on a diminishing scale. Under the 1973 Act the levy must not exceed one per cent. of payroll, and companies whose training is adequate for their own needs must be exempted altogether. By and large, the "craft" Boards like engineering, road transport, air transport, or paper and paper products, collect a one per cent. levy from those companies which are not exempted, whose number varies from industry to industry. The Engineering ITB, for example, has exempted many companies while the Man-Made Fibres ITB does not charge a levy at all.

The ITBs now see themselves as servants of their industries, often building bridges with the Government. They have also remained fairly autonomous and, if anything, their role may have grown.

At first, in order to get industrial training off the ground, the ITBs designed training recommendations and grant schemes. Some, like those covering construction and road transport set up their own training centres but efforts were mostly company orientated. In the meantime it has become recognised that training done by individual companies does not fulfil the training needs of a whole industry. Nor does individual industry training wholly satisfy national training needs.

It is the national training concept which is now coming in the forefront. In this context, the MSC has given to the ITBs responsibility for a number of "initiatives" including special provisions aimed at training supernumerary apprentices in safeguard skills during the economic downturn and training people connected with North Sea oil.

Generally the pre-1973 training framework appears to be effective although, some fear the right time

After handling needs of their industries for 12 years, Training Boards still have a role to play under the Manpower Services Commission

Works managers may link up with BIM

TALKS HAVE begun on a form of amalgamation between the British Institute of Management and the Institution of Works Managers which would lead to the two organisations affiliating together but retaining some autonomy.

This was announced yesterday

by the BIM which has 52,000 complementary. They already members compared with the co-operate at branch level in Works Managers' 18,000. Both some areas, and an extension organisations have similar of joint activities is envisaged. Consultation with their respective membership should be taking place and joint working parties will be studying the their educational policies to be achieve early affiliation

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Maintenance of a building

I am a co-owner of an agricultural holding of which the lease has expired, the tenant having told us he wishes to farm on the basis of an annual tenancy. As the owners live a long way away, I understood that if it was difficult to undertake the normal responsibility for repairs, maintenance, etc., under the Agricultural Regulations 1948,

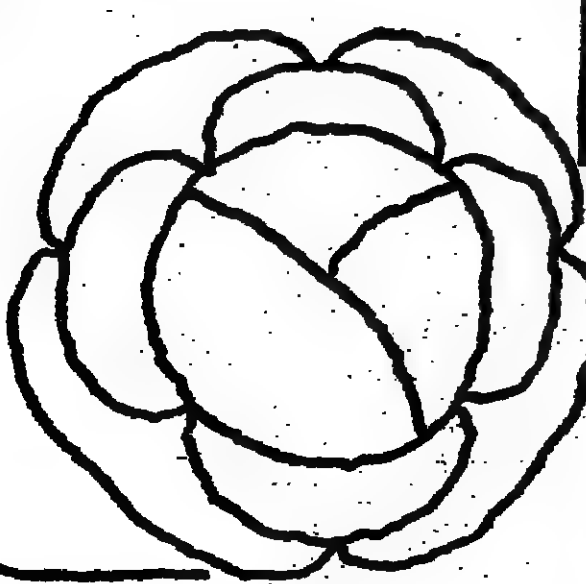
this could be transferred to the tenant. Is this so? We think that you can contract out of the repairing obligations. Section 32 of the Housing Act 1961 does not apply—see subsection 33 (4) of that Act. However, you would not normally be in a position to require the tenant to accept that you are not to be responsible for repairs as you will not have served a statutory notice to quit—Section 3 of the Agricultural Holdings Act 1948 will have the effect of continuing the seven year term including the repairing liability.

Starting a business abroad

I have been asked to join a syndicate to start a small business in Dubai. The amount of money I am considering putting up is under £5,000. Can I legally move this money to Dubai and if so would I have to pay a premium? Presuming profits are forthcoming, would I have to bring them back to the U.K.? If so, would they then attract U.K. income-tax? In order to carry out a transaction of the kind mentioned in your letter, you would need to apply through your bank or other advisers to the Bank of England for specific permission. To gain permission, you would probably have to convince the bank that the transaction was a natural activity for you to undertake, and not merely an investment. If permission were given, the funds would have to be found either through the investment currency market—involving paying the premium—or through borrowing. Any resulting profits would under current exchange controls have to be brought back for exchange into sterling at the current exchange rate, and would certainly attract U.K. tax.

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WEDNESDAY, MAY 12, 1976

Silence is golden

THE National Executive Committee of the Labour Party meets today for its annual attempt to assure the maximum value for the party conference later this summer. The agenda is characteristic: a call for stringent internal controls, for sweeping interventionist powers for the National Enterprise Board, and for reforms of the system of Government designed to give party officials a better chance to second guess the Civil Service; and a challenge to the Treasury's estimates of the cost of public spending programmes. The items are familiar, for most of them were in the party's policy document of 1972; and they also have in common the fact that the Government has now covered all this ground in office, and rejected the policies which the NEC still wants.

Policy debate

The conflict between the party apparatus in Smith Square and the party in office has a long history; the enthusiasts of any radical party tend to constitute themselves as a permanent opposition, even when their own party is in power; and there is something to be said for a process which keeps Ministers on their toes, since they have to justify their policies to their supporters, and allows the Government's supporters a real opportunity to contribute to the policy debate.

However, in two senses the NEC's proposals go beyond a useful contribution to the policy debate. First, the actual content of the proposals is such that there is little chance for any meeting of minds. It goes well beyond what the TUC has been requesting, for example. Such an agenda might be planned to cast Ministers in the role of unrepresentative mandarins; and the suspicion that they will indeed be the intention is only strengthened by recent reports that Transport House wants to amend the party machinery so that Ministers in office should bear in mind all Conference decisions, and not simply those submitted to the electorate in the party manifesto.

The whole idea that Ministers—and presumably back-bench MPs as well—are answerable to

the Party rather than to the voters who elected them is so glaringly improper that Transport House has stopped well short of recommending it: an undertaking to bear something in mind is not the same as an undertaking to adopt it as a rule of conduct. All the same, a party which is making even a modest claim to influence Ministers in office—and a rather less than modest one to participate in the machinery of Government—must be prepared to face questions about its own methods of participation and policy formation. As the NEC has itself recognised, when called on to intervene in the affairs of Newham North-East, such questions are likely at the moment to get dusty answers.

The fact is that even where procedures are followed quite properly, the Labour Party has always tended to suffer from unrepresentative leadership in the constituencies, a fact which has plagued its leaders since the days of the Popular Front more than 40 years ago. Some Left-wing bias is only to be expected; those who subscribe their names and money to a party are more committed to its basic views than those whose votes they seek, and the activists in turn tend to be the most committed of the faithful. However, bias is readily carried further, and irreversibly further, when representative selection is at every stage delegated upward.

Machinery

As a very recent Labour Prime Minister, Sir Harold Wilson, has suggested it is time that the party turned its attention to these problems of its own organisation: a democratic reform of the machinery of the party should come before any efforts to "reform" the machinery of Government, and Mr. Callaghan would do well to follow up Sir Harold's initiative here. As for the nagging agenda which the NEC is going to consider, the Prime Minister could well recall the words of another predecessor. When Professor Harold Laski was making an earlier attempt to assert the sacredness of conference decisions, Mr. Attlee's reply was brief: "A period of silence from you would be welcome."

Mr. Anthony Crosland was the first European visitor to get a look at China after the fall of Teng Hsiao-ping. Charles Smith, who travelled with the Foreign Secretary's party, reports

Heavenly Peace restored

THE CHINESE did not play the Highgate School song for Mr. Anthony Crosland, at the welcoming banquet given for him last week in the Great Hall of the People in Peking. There thus appeared, at least to some people, to be a difference between the reception given to Labour's new Foreign Secretary and the rousing welcome, including the Eton Boating Songs, given to Sir Alec Douglas Home when he visited China as Foreign Secretary in November 1972.

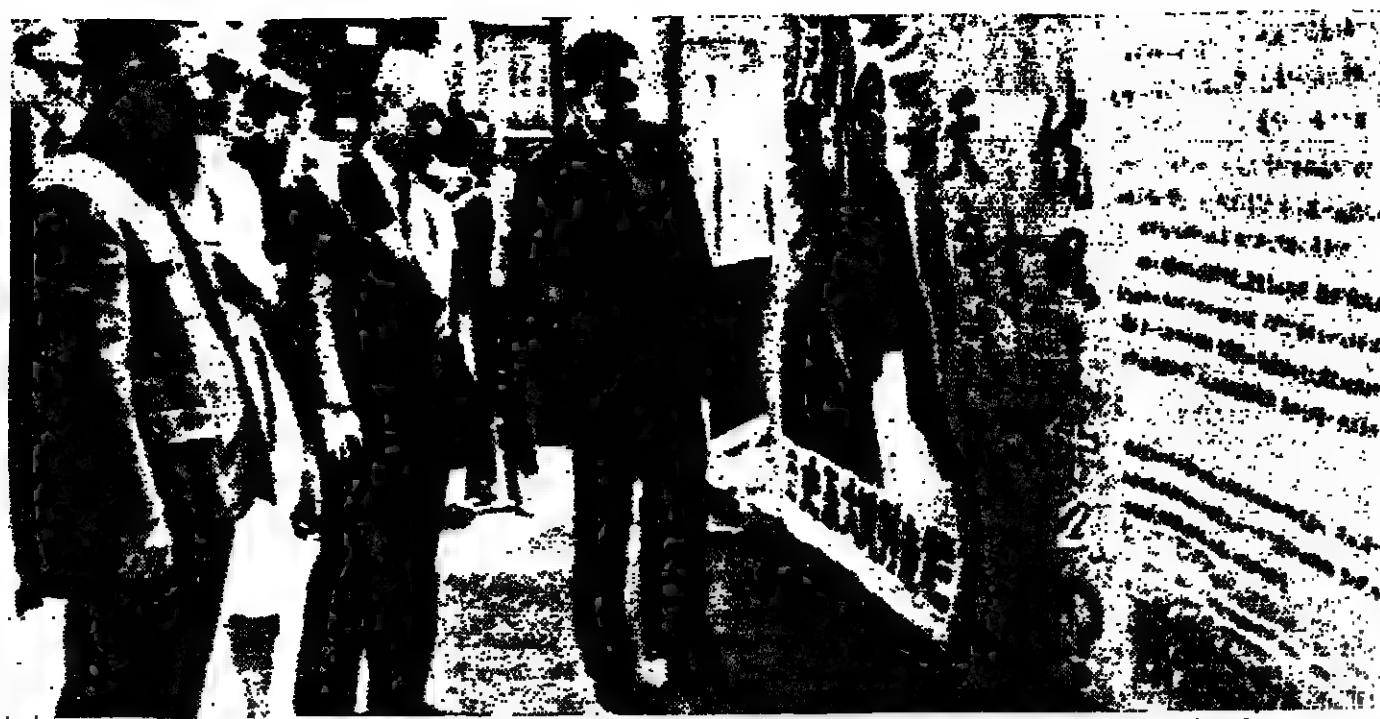
The Crosland visit was handled with complete correctness on the Chinese side but without the extra warmth which Peking seems to reserve for Conservative politicians like Sir Alec, Mr. Edward Heath, or even for ex-President Nixon.

But if the temperature at last week's talks was a shade on the cool side, their value to Britain, and to Mr. Crosland himself, cannot be disputed. The Foreign Secretary was the first minister from a European Government to meet China's Prime Minister of five weeks' standing, the little known and hitherto rather enigmatic Mr. Hua Guofeng. He was also the first western leader (unless one includes the previous week's visit by Mr. Robert Muldoon, Prime Minister of New Zealand) to get a first hand impression of what has been happening in China since the death early this year of Premier Chou En-lai. It would be too much to say that Mr. Crosland and his party came away with a complete inside view of the situation. But the broad outlines of the situation did become clear, and the picture from most points of view turned out to be quite reassuring.

The main point which seemed to emerge from the Crosland talks was that the upheavals of the past few months, however spectacular they may have looked in the newspaper headlines, have not changed basic Chinese postures, and are not likely to do so. The main elements of Chinese policy towards the outside world—a strong interest in closer ties with western nations, a profound fear and suspicion of the Soviet Union, and a sturdy self-reliance in economic policy—were stressed to Mr. Crosland, and quite clearly still hold good. It follows that though the so-called radicals in the Chinese leadership secured the dismissal and disgrace of the former Vice-Premier, Teng Hsiao-ping, in early April, they failed to set the country on any radically new course.

Foreign trade

What the radicals may have done is to prevent Teng from carrying out some policy changes that could have gone through, had he remained in power. The former Vice-Premier, a man who came to grief



Mr. Anthony Crosland, the Foreign Secretary, studies posters at Peking University denouncing revisionism.

during the Cultural Revolution and then made a startling comeback during its aftermath, was quite clearly on the right of the Chinese political spectrum. He seems to have favoured a rather rapid increase of Chinese foreign trade, fuelled possibly by increased oil exports. He may also have wanted to remove some of the revolutionary elements from the still somewhat experimental educational system. It has had the effect of severing all contacts between universities and secondary schools through a recruitment system which takes students direct from factories or from the countryside.

With Teng out of the way (and quite possibly serving time on one of the cadre schools where officials and politicians have their ideological viewpoints corrected by courses of agricultural labour) there will be a return to what might be called post-Cultural Revolution "orthodoxy" on both trade and education. Mr. Crosland was told during his talks with the foreign trade minister that China would not be increasing oil exports as fast as at one time seemed possible, because it had been discovered that more oil was needed for domestic consumption. The invariability of the new education system was hammered in time and again during visits arranged for Mr. Crosland and (separately) for journalists to schools and universities.

It was explained at Peking University that a move to undermine the educational system had been launched as long ago as last summer by deviant members of the leadership, including two persons of no less importance than the Minister of Education himself, and the Vice-Chairman of the revolutionary committee of another university in Peking. Visitors to Peking University were shown an entire quadrangle filled with posters attacking the counter-revolution

in education then—as though the two things were one and the same subject—were treated to a denunciation of Teng for stirring up the incident on the Square of Heavenly Peace, in Peking on April 5.

The effect was to suggest that everyone at the university (where poster-writing is said to take up two hours of every day) has come out indignantly against what could have been a dangerous threat to the purity of Chinese Communism. But a closer look at the various elements in the story of Teng's decline and fall, as retailed to the Foreign Secretary's party, suggest a slightly different picture. The elements can be separated roughly into the struggle over education itself, which originated well before the end of last year as one of the routine campaigns launched from time to time by the Chinese leadership, and the more personal crisis of the Vice-Premier himself. This developed only after the death, early this year, of his mentor and patron, the powerful and infinitely revered Premier Chou.

The truth about Teng and his fall from power seems to have been that he was a man who stood too far out of line with the rest of the top leadership to survive without Chou's patronage, and was therefore swept away almost inevitably after his patron's death. The events which followed his dismissal and disgrace are less easy to interpret. Almost no outsider had formed a direct impression of Premier Hua before Mr. Crosland met him for 80 minutes last week, although as Minister of Public Security he was not exactly an unknown figure of the hierarchy.

The way Hua spoke and behaved during the Crosland meeting, however, makes one thing very clear: whatever his personal views, the Premier is for the time being sticking firmly to policy lines laid down by

ministers who were in power before his own promotion, including those of the liberal and outward-looking Foreign Minister, Chiao Kuan-hua. Premier Hua's discussions with Mr. Crosland, which lasted about twice as long as the British embassy claimed to have expected, were disappointing in that the new Premier faithfully repeated much of what Foreign Minister Chiao had said earlier in the week. This included the stress he laid on continuity of foreign and trade policies, and the warnings—which admittedly tend to be an inevitable feature of Chinese ministerial talks with westerners—against Soviet aggression.

Exemplary unity

If China is again presenting a facade of exemplary unity to the outside world despite what appear to have been some fairly serious convulsions among its top leadership, the obvious question is: how do they manage it? The answer comes in two parts. The first is that personal battles between top leaders, which are as normal in China as in other countries, do tend to be translated into ideological terms when reported by official news media; and may therefore seem to be about bigger issues than really are the case. The second part of the answer is that China possesses what can only be described as superbly efficient machinery for ensuring that changes at the top are reflected almost instantaneously lower down the line.

The Tien An-Men Square incident of April 5, when tens of thousands of people swept aside People's Liberation Army guards, burned cars, and virtually stormed the Great Hall of the People in what seems to have been a spontaneous expression of indignation with the

The fact that a given "line" like the current anti-Teng line takes hold so easily and swiftly in China may be partly due to the nature of the people. The tendency to think collectively and to stress group rather than individual activity is a characteristic of the Chinese as well as the Japanese, as well as the Chinese. It probably owes little or nothing to Communism. Another element in the picture, however, is the Soviet Union which is seen in China as the classic instance of how not to progress towards Communism.

Chinese fears of Russia without a doubt genuine. The 800,000 Soviet troops on a 4,000 mile border between two countries. Incidents on almost every day. But while Russians are seen as the embodiment of evil and the cause of what Chinese officials regard as an inevitable World War, they also are handy for keeping China's revolution on course. Soviet threat provides an ultimate justification for Chinese economic self-sufficiency and self-reliance which reveals itself in instances like the successful campaign of the City of Shanghai (one of the world's largest) to grow enough vegetables for its own needs. It has also provided a backdrop to several of the major power struggles that have occurred in China during the past few years.

The "arch-traitor" Lin Biao may have performed some service to his country, but he was killed in an air crash while attempting to escape the Soviet Union. In any case, his example proves that those who oppose Chairman Mao do not turn out only to be in sympathy with the Russians.

The key to the system, though no doubt this is an oversimplification, would seem to be that a carefully nurtured fear of heresy exists in the minds of most people in China from the bottom to somewhere close to the very top of the Communist hierarchy. To label someone a "capitalist road" is to mark him down as a heretic. The possibility is carefully left open for someone who has been branded in this way to repent and be re-accepted, though it is possible to go further and blacken the name of prominent individuals still more effectively and permanently.

One of the posters shown to foreigners at Peking University drew a parallel between Teng's role as inspirer of the Tien An-Men Square incident, and the famous attempt by Lin Biao to seize power by military coup in May, 1971. The figures 5-71 (for May, 1971) which stood out on the Peking University poster are a concise code in China for the blackest form of treason. The students may have put the figures on to their poster on their own initiative, or they may have got the idea from somewhere else. In a bookshop in Shanghai members of Mr. Crosland's party last week saw a wall covered with "copybook" posters which were being transcribed by people from communes, schools and factories for subsequent reproduction at home.

The remaining question about China is, of course, what will happen when Chairman Mao dies. Discussion of his health is taboo inside the country. Mr. Lin has been shown of a recent meeting with foreign politicians which suggest the at 82, Mr. Lin is now becoming exceedingly fragile. But he is not apparently suffering from any particular disease.

The only thing that seems certain about events after Mao's death is that there will be an immediate filling of his position as Chairman of the Party Central Committee, and that several years may be needed to establish a new stability in the party hierarchy. During these years personal struggles for power will be unavoidable; the recent past is in any case a usual framework of disputes over ideology. That is not to mean that the system is in danger of collapse now or later.

Chairman Mao

The remaining question about China is, of course, what will happen when Chairman Mao dies. Discussion of his health is taboo inside the country. Mr. Lin has been shown of a recent meeting with foreign politicians which suggest the at 82, Mr. Lin is now becoming exceedingly fragile. But he is not apparently suffering from any particular disease.

Syria rethinks its strategy

IN DECIDING to send its Prime Minister to "review" the Sinai agreement which Egypt signed with Israel last September, Syria appears to have changed its stance dramatically on an issue which has been the subject of violent abuse between the two countries. Whatever is decided in Riyadh—and it is by no means certain that any agreement will emerge—Syria has gone a long way to reconciliation with Egypt by even agreeing to discuss the Sinai agreement.

Northern flank

When responding to Saudi and Kuwaiti diplomacy—which may have been backed by some economic pressure—President Hafez Assad doubtless took into account the realignment of policy which has taken place between Syria, the U.S. and Israel over Lebanon. Syria still believes it may be necessary to intervene in Lebanon to prevent the Moslem Left from going too far. It is motivated partly by concern for its own internal security and partly because it wants to keep control of the whole northern flank of the confrontation zone around Israel, rather than leave an important sector of it in the hands of forces, such as the Palestinians, which it may not be able to control.

For the time being its interests in Lebanon coincide with those of the U.S. and Israel, both of which appear to have accepted its case for intervention under certain circumstances. Israel's acquiescence is vital because if it felt its own interests in southern Lebanon were threatened, it might feel obliged to defend them, with potentially disastrous results for the peace of the whole region.

But quite apart from the danger, of which the Syrians are highly conscious, that they might get irrevocably bogged down in Lebanon, just as President Nasser got bogged down in

Yemen in the mid-sixties, there are two specific dangers: one is that Israel, its political situation made unstable by the West Bank issue, may change its mind about the harmlessness of Syrian intentions; the other is that the Palestinians, the group most likely to suffer from Syrian policy, may prove unamenable to pressure.

Hence Syria's need to rethink its whole strategy on the Middle East conflict. No longer can it afford to be at loggerheads with Egypt—it may need Egyptian help, and anyway it has probably made its point over Sinai. Nor can it risk putting too much pressure on Israel to obtain concessions in return for renewing the mandate of the UN force on the Golan Heights, which falls due at the end of this month.

Confrontation

The kind of compromise that could be reached at Riyadh might entail some retraction by Syria of its condemnation of Sinai, and some expression by Egypt that it has not totally renounced confrontation with Israel. But it would be wrong to expect too much from the meeting. President Assad may calculate that Israel would feel safer—and therefore more acquiescent over Lebanon—if Egypt and Syria remained at loggerheads. At the same time, the internal opposition aroused by his policy in Lebanon would be exacerbated if he completely dropped his militant stance in the conflict with Israel.

Lebanon has now elected a new president and there are distinct signs of a softening in Mr. Kamal Jumblatt's attitude to Damascus. But the fighting which is still going on bodes ill for a quick transfer of power to Mr. Sarkis and suggests that President Assad may become more deeply involved in the Lebanese crisis than he would like.

MEN AND MATTERS

After much toying, a sale

THE simple announcement that Debenhams is acquiring Hamleys, best known for its world famous toy shop in Regent Street, through an agreed bid worth £4.78m, omits a great deal of the intricate complexities involved in the deal—and not a few unusual aspects. For a start Debenhams admits to paying over the normal odds to seal a quick deal and pre-empt the other 70 firms which have shown an interest in Hamleys.

But the full story begins back in November 1970 when a complex series of cross guarantees were signed between Lines Brothers subsidiaries and Lloyds Bank. The following year Lines, a major force in the U.K. toy-making industry and controlling shareholder in Hamleys, went into liquidation, as did all its subsidiaries save for Hamleys.

Cork Gully became liquidators to the parent company, but most subsidiaries had their own independent liquidator so that getting on for a dozen different parties had to sit down at a negotiating table. To complicate matters Hamleys started court action to challenge the validity of the agreement signed on its behalf with Lloyds Bank: an agreement involving some £8m.

In 1972 Hamleys and Lloyds Bank entered into a moratorium agreement that put these court proceedings in limbo. Lloyds granted Hamleys overdraft facilities, Hamleys paid its trade creditors in full, and trading was transferred to a new wholly owned subsidiary called Hamleys Regent Street Limited.

That still left majority control of the company resting with the Lines liquidator. He had a duty to dispose of the asset in order to maximise the repayment to Lines' creditors, but by an odd

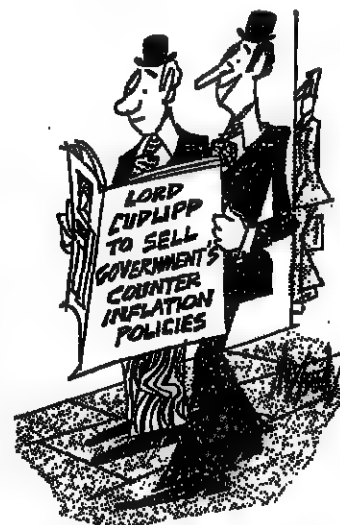
legal quirk Hamleys had a lien on these shares until certain loans were repaid.

Protracted negotiations between all the interested parties were inevitable, therefore, and it was not until 1974 that an agreement was hammered out. Briefly this released Hamleys from any purported guarantee obligation to Lloyds Bank, made provision for repayments to Hamleys of money owed by Lines, and allowed Cork Gully to get on with the disposal of its 58 per cent of Hamleys on condition that minority shareholders would be made an offer on the same terms that Cork Gully obtained for its stake.

At that stage, enter Samuel Montagu to open negotiations with interested parties, a long list of which had been built up since 1971.

The bank was acting for Cork Gully in the first instance and had no direct contact with the 110 or so minority shareholders—largely Lines family and associates. In fact the deal with Debenhams was fixed up before the Lines Board were aware that Debenhams was on the scene at all. (Although Montagu pushed hard for an offer conditional on Board recommendation, a point which was accepted.) Even now with details publicised, the Hamleys directors under the chairmanship of Miss Peggy Lines have yet to meet the Debenhams Board.

But now everyone seems happy. Debenhams has doubled the size of its toy business at a stroke and can exploit the valuable Hamleys name. The better than expected price for Hamleys means that Lines' creditors will be paid out in full against a previously expected 75p or thereabouts. And under the complex terms of the Lines liquidation Debenhams will get back something like a quarter of a million pounds of its purchase price via the liquidator to Lines.



"Well he sold the 'Sun' to the opposition and look how successful that has been!"

Enter the water walker

IT was rather tricky yesterday to sort out the precise details making the new Government job to be done by a former chairman of a newspaper company different from that which has been done by the same paper's seconded industrial editor, Geoffrey Goodman, has been running the Counter-Inflation Publicity Unit for a year, and in a couple of months' time returns to industrial reporting at the Daily Mirror.

Goodman was a paid official, though the unit is coyly unforthcoming about the figure. Now in comes an unpaid Lord Cudlipp, who retired from the chairmanship of International Publishing Corporation in 1973, to take on Goodman's job plus the title of Adviser to the Prime Minister on "the presentation of the Government's counter-inflation policies."

Cudlipp will have "direct access" to Mr. Callaghan, though Goodman enjoyed the

same facility when Harold Wilson appointed him in July 1975. What seems possible is that some sort of public appearance role is being considered, though whether in conference hall, factory floor, television studio (or even in TV adverts) is not yet clear. As for the line into No. 10, Cudlipp declared last night that "the contacts will be closer."

The appointment seems to show the Prime Minister as keen as his predecessor on sympathetic IPC men, and family ties with Government are cemented too: seeing that nephew Michael Cudlipp is information chief at the National Enterprise Board.

Hugh Cudlipp, now 62, started as a 2s 6d a week reporter in his native Wales, and apart from a couple of years with Beaverbrook's Sunday Express, made his reputation with the Mirror organisation. He rose to be chairman of Daily Mirror Newspapers before heading IPC after the dramatic 1968 downfall of Cecil King.

Last month he ended a year as consultant to the "Save It" campaign, and "that gave me an insight into the Government information machine." An evening newspaper indulged in a bit of Cudlipp-Mirror type jibing by talking about the new job for "Lord Puff" but the man himself declined a counter-blast. He has just delivered to the publishers his third book, autobiographical and entitled "Walking on the Water." Some sort of augury, no doubt.

For example

The general instructions for the 1976 examination to be held by the Institute of Freight Forwarders includes the following warning: "Marks may be lost for careless presentation of answers and errors in grammar or spelling."

Observer

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COMPANY NEWS + COMMENT

Nurdin & Peacock advances to £2.91m.

CASH and carry wholesalers, Nurdin & Peacock reports record pre-tax profits of £2.91m. for the year ended January 3, 1976, compared with £2.08m. in the previous 52 weeks. As estimated in January, turnover amounted to £135.37m. against £102.85m.

First-half profits had risen from £628,435 to £830,000 and in the January report on trading, the directors were of the opinion that results for the year would show a substantial increase in profits.

Sixfold earnings per 10p share are up from an adjusted 1.7p to 10.2p and a net final dividend of 1.7p makes a maximum permitted total of 3p as forecast at the time of last June's rights issues—the previous total was 1.72p.

The directors say that sales for first four months of current year show an increase of 26 per cent. over the same period last year.

While Government policy and the general economic situation renders it difficult to make a definite forecast, the group overcame these problems last year and the Board has every confidence in continuing progress and expansion in the current year.

No new branches were opened in 1975 but the directors have completed extensions at Dagenham and Lowestoft and have continued the policy of improving existing branches to enable them to cope with the increasing sales and registrations.

The 8,500 sq. ft. of warehouse adjoining the Maitland branch has been bought and will be opened for trading by autumn of this year. A site in Nottingham has also been bought and it is anticipated that the new branch will be in operation during the first half of 1977. Directors continue to seek suitable opportunities for other new branches.

comment
A pre-tax profits advance of two-fifths from Nurdin & Peacock was better than outside expectations and the shares rose 3p on the results to 96p where they yield 4.9 per cent. covered over three times. One of the most encouraging points is the recovery in profit margins. At the half-time stage these had eased to 1.4 against 1.3 per cent., but in the second half there was an improvement from 2.4 to 2.7 per cent. The company indicates that the basic reasons for this better return are two-fold. First, earlier store openings were reaching maturity (it takes about three years), and second, there was a swing round from an interest charge of £232,000 in 1974-75 to interest receivable as the result of last June's £14m. rights issue. The new store at Nottingham will make a considerable difference to next year's performance but meantime the profits advance, this year is unlikely to be as dramatic as for last year. Still, sales growth so far this year of 26 per cent. is following the trend of the previous six months, and the shares have not lost their growth stock image.

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Burmah Oil	24	4	Nurdin & Peacock	20	1
Clive Discount	20	2	Ocean Transport	21	1
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Crystalite	22	6	Ranks Hovis	21	1
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Uplift for Usher Walker

PROFITS OF printing ink and roller group Usher-Walker improved from £477,222 to £500,000 in 1975, before tax and before deducting £30,000 (£56,000) provisions for restriction of margins under the Counter-Inflation Act.

When reporting an increase from £230,000 to £316,000 in the pre-tax figure at half-way the directors said that while it could not be expected that these results would be repeated, over-all results for the year were expected to be satisfactory.

Earnings per 10p share are stated to be up from 8.7p to 10.5p. The dividend is raised from 2.44p to 2.60p, with a final of 1.725p net.

comment
A sales advance of 40 per cent. from NSS Newsagents' takes in about 22 points of volume growth, most of which is probably accounted for by the increase in the number of retail branches—23 traditional sites and four town centre units were opened since the comparable period. Profit margins remain under pressure and are a tenth lower at 6.2 per cent., though some cover price increases for periodicals and newspapers should help. Meanwhile, strong cash position, which was over £1.1m. last September, will finance further physical expansion and the pre-

restrictions in 1976-77 but the directors point out that future dividend policy will be considered not only on profits in one particular year but also on the assessment of the company's ability to maintain that dividend in less favourable circumstances.

Since Darby Holdings controls 14.9 per cent. of the equity, Meetings 1. Royal Exchange Avenue, E.C.4, on June 3 at noon.

First half increase at NSS
FOR the six months ended March 28, 1976, pre-tax profits of NSS Newsagents increased from £228,000 to £316,000, on higher sales of £18.7m. against £13.3m.

Stated earnings per 10p share increased from an adjusted 2.62p to 3.31p and the interim dividend is lifted from 0.3325p to 0.6p net, on capital increased by a rights issue. The previous total was £1.94m.

comment
The chairman, Mr. P. H. Byss-Cook, says expansion plans for the second half of the year include moving into enlarged premises at Wythenshawe, Manchester, and North Rykeham, Lincoln, and at present the group is awaiting completion of legal formalities on the acquisition of six established businesses. With the prospect of further acquisitions later in the year it is hoped to maintain growth.

tax profits should continue along their uninterrupted growth path. There is unlikely to be any relative weakness in the shares at 50p where the yield of 5 per cent. is at the top end for newsagents.

Stonehill beats its forecast

COMPARED WITH the December forecast of profits above £12m. Stonehill Holdings, furniture makers, reports a pre-tax balance up from £777,000 to £1,330,000 for the 52 weeks ended April 4, 1976. Turnover expanded from £7,070m. to £11,010m.

Earnings per 25p share are stated to be up from 3.55p to 5.32p. The dividend is the forecast 5p net compared with the equivalent of 3.33p—adjusted for a scrip issue—the final being 5p. The current year has started satisfactorily, the directors report.

comment
A 101 per cent. rise on the interim profits forecast sent Stonehill's share price 3p higher yesterday to 130p. Within a 35 per cent. increase in sales, turnover was maintained at a high level throughout the year, reflecting the group's efforts to increase its market share by widening its price range of furniture products. Last year also saw some expansion benefits following the addition of a further 70,000 square feet of capacity to the Lea Valley factory in November. But the main boost to profits is likely to come in the current year when the group will be increasing its expansion programme still further. On completion of the current programme should leave the group with enough capacity for a turnover rate of 1.8m. per year and, since it is hoping to come fairly close to this in 1976-77, a further substantial increase in profits seems on the cards. Moreover, the cash position is now standing at more than £800,000, with no borrowings and Stonehill is currently on the outlook for acquisitions in the furniture industry. The yield and p/e at 9.8 per cent. and 8.3 per cent. respectively both compare favourably with the consumer durables averages.

£0.28m. fall at More O'Ferrall
TURNOVER OF More O'Ferrall rose from £3,020m. to £3,240m. during 1975 but profit declined sharply from £0.40m. to £0.21m. before tax of £0.12m., compared with £0.30m.

When reporting first half profits down from £233,000 to £21,000, the directors said the effects of the advertising recession in the U.K. and pressure of rising costs would result in lower year-end profits. For the 12-month period earnings are shown to be down from 5.3p to 2.1p and a net final dividend of 1.5p (1.7p) gives a 2.25p total (2.5p).

The company is engaged in outdoor advertising and ancillary trades.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Barr Wallace Arnold	3.03	July 8	2.73	5.76	5.76
Boustead	15.27	July 15	15.27	30.54	30.54
Bunzl Pulp & Paper	0.4	July 1	0.4	0.8	0.8
Burmah Oil	1.56	July 1	1.54	3.10	3.07
Clive Discount	2.22	July 9	2.14	4.36	4.28
Costain (Richard)	2.4	July 30	1.75	4.15	4.1
Harco Investments	1.17	July 6	1.12	2.29	2.24
Investors Capital Trst. Int.	0.55	June 17	0.5	1.05	1.0
Jones Group	3.5(A)	July 17	3	6.5	6
P. & W. Maclellan	0.8	July 1	0.8	1.6	1.6
More O'Ferrall	1.3	July 1	1.7	3.0	2.8
NSS Newsagents	0.67	July 5	0.54	1.21	1.17
Nurdin & Peacock	1.77	July 1	1.02	2.79	2.77
Pyke (W. J.)	0.11	July 19	0.04	0.15	0.14
REX	1.2	July 19	1.09	2.29	2.28
Sabah Timber	0.98	—	0.87	1.85	1.82
Sears Holdings	2.1	—	1.91	4.01	3.91
Stonehill	5.32	July 23	4.33	9.65	9.28
Transval Cons. Int.	37(C)	July 7	1.39	38.39	37.00
Usher-Walker	1.73	July 1	1.39	3.12	3.04
W. Woodward	1.3	June 17	0.4	1.7	0.8

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout. (b) To be paid when funds available. (c) South African cents.

Holt-Lloyd produces £1.49m.

CAR CARE group, Holt Lloyd International lifted profits by 25 per cent. to £1.49m. in the year ended February 28, 1976, which compares with a forecast of not less than £1.45m. in last December's interim report. Sales rose by 21 per cent. to £17m.

Lloyd's "Industries" profit amounted to £572,000, against a forecast of £550,000, while Holt's, taking 12.15ths of a 13-month year, came to £217,000, compared with a forecast of £200,000.

Chairman Mr. Tom Haywood reports that overseas business was particularly buoyant with turnover up 29 per cent. higher. Both at home and overseas, the group is already beginning to realise the commercial and financial benefits envisaged at the time of the merger.

On the financial side, the group's liquid position is strong with net current assets at around £3.23m. Of the current year, the chairman reports that budgets are based on higher sales and improved efficiencies resulting from the merger. After the first ten weeks trading the results are in line with expectations.

Mr. Haywood sees considerable potential overseas and expects overseas subsidiaries and exports combined to contribute around one-third of group profit this year.

The group has already strengthened its overseas management and corporate structures. While some markets will require long-term investment, immediate sales are expected in Europe, Australasia and South Africa.

In Britain, both companies' products are now being distributed through a joint marketing and sales team.

No dividends are announced, both companies having paid special interim last month—1.37p for Holt and 1.034p for Lloyd's, making totals of 2.007p and 2.234p respectively for 1975-76.

Earnings per 10p share are stated at 7.17p (£5.6p). These are calculated on the assumption that the capital of HLI had been in issue throughout 1974-75 and 1975-76.

EXTERNAL SALES
1974-75 1975-76
£m. £m.
Overseas and export 17,000 14,000
Food 1,000 1,000
Trades prior 1,000 1,000
Interest 14 14
Exceptional items 1,000 1,000
Profit before tax 1,000 1,000
Taxation 1,000 1,000
Net profit 1,000 1,000
Dividends 1,000 1,000
To reserves 1,000 1,000

The chairman points out that the results were achieved after making provision for certain non-recurring charges, including:

ENNA N.V.
(Established at The Hague).

Shareholders are invited to attend the General Meeting of shareholders to be held in the "Residentiaal" of the Promenade Hotel, Van Stolkweg 1 at The Hague on Thursday 3rd June 1976 at 10.30 a.m.

AGENDA
1. Opening.
2. Minutes of the meeting of June 5th, 1975.
3. Report of the Management Board for the financial year 1975.
4. Discussion and approval of the annual accounts for 1975 as confirmed by the Supervisory Board.
5. Retirement and appointment or reappointment of the Supervisory Directors. In conformity with Article 14, par. 3 of the Articles of Association, Mr. J. R. M. van den Brink and Mr. P. A. Blaisse are due to retire by rotation. The Supervisory Board intend to reappoint Mr. Van den Brink and Mr. Blaisse and to appoint Mr. W. J. J. Reynaert as a new member of the Supervisory Board.
6. Vacancies in the Supervisory Board in 1977. At the annual general meeting of shareholders to be held in 1977 Mr. J. Bosman, Mr. C. J. A. de Ranitz and Mr. K. Soesbeek will be due to retire. Mr. de Ranitz and Mr. Soesbeek will not be eligible for reappointment by reason of their reaching the age limit. The Supervisory Board intend to reappoint Mr. Bosman. Consequently, the total number of vacancies to be filled in 1977 will be three, one of which is to be filled by reappointment.
7. Appointment of Auditors. A proposal will be made to reappoint Moret and Limpert as Auditors.
8. To consider and if thought fit to pass the following resolution "that subject to the approval of the Supervisory Board of Ennia N.V., the Management Board of Ennia N.V. be authorised to issue Ordinary Shares up to an amount not exceeding 10 per cent of the then issued Ordinary Shares Capital without the same being first offered to existing equity shareholders. In accordance with the Listing Agreement of the London Stock Exchange."
9. Any other business.
10. General.

Holders of share certificates (BDRs) of the Company are also entitled to attend, and take part in the discussions, but they may not vote. Admission will be by presentation of written proof that their certificates have been deposited at the office of a member of the "Vereniging voor de Effectenhandel" in the Netherlands or, in England, at the office of "Algemeene Bank Nederland" N.V. in London.

The share certificates must be deposited not later than the 31st May, 1976.

Holders of shares or share certificates (BDRs) may obtain free copies of the documents to be discussed at the meeting at the Company's offices in The Hague, Amsterdam, and at the offices of Ennia Insurance Company (U.K.) Limited in London.

The Hague, May 12th, 1976. Management Board

* The information required by law concerning the above-mentioned gentlemen is available for inspection at the company's offices at The Hague, Amsterdam, and at the offices of Ennia Insurance Company (U.K.) Limited in London.

Bunzl Pulp down by £1.82m

SECOND HALF profits of Bunzl Pulp and Paper reached £3.93m. bringing the total for 1975 up to £12.23m. compared with the forecast of £11.7m. in the interim report. The 1975 figures cast a pessimistic glow of a 21 per cent. increase in the £11m.-£12m. range. For 1974 profits came to £14,07m. of which £8,09m. accrued in the second half.

Turnover—excluding associates improved from £130,14m. to £134,09m. In 1975 sales by overseas subsidiaries together with the U.K. companies amounted to £123,13m. Some 80 per cent. of the group surplus before tax arose from exports and overseas operations.

Members are told that there has been a welcome increase in activity in most companies during the first few months of 1976 although in some units this has not been fully reflected in earnings.

Since the end of 1975 the value of sterling has decreased considerably against most major foreign currencies. The directors explain that the effect of this is to increase the sterling value of the overseas earnings and net assets and to increase the cost of goods imported into the U.K.

Short term effects on division. However, the balance sheet is in a stronger working capital position and cash is up £24,175m. while net borrowings down from 47 per cent. to 41 per cent. of the £36.7m. net w/c. The p/e is 3 and in 1975 the p/e is 3.7.

comment
Results of Holt-Lloyd International are much in line with forecasts made last November. The real benefits of the merger, which took effect on December 24, are likely to come in the current year. There are already signs of improved profitability following the combining of the sales effort and the transfer of the aerosol factory. Meanwhile, recovery of new car sales in many countries should help volume growth; faster profits growth is expected abroad, with Europe and Australasia each expected to account for a ninth of profits this year. Further rapid growth could come when the group gets into the lucrative North American markets, which could be later this year. On a twice-covered dividend of 3.5p, the yield at 62p (up 1p) is 8.8 per cent., and the company is free of dividend restraint for two years.

comment
The overall impact of this on the group is difficult to predict and there are other political and economic uncertainties in some countries of operation. The earnings per 25p share before the extraordinary items are stated at 21.2p (21.2p) and at 23p (22.6p) after those items.

The dividend is raised from 10.75p to 11.25p.

comment
A FINAL dividend of 2.4p to investment Trust Ltd. (House Company) raises the share price to 1.75p.

Net tax revenue rose, £3,050m. to £3,680m. Earnings 3.91p (3.25p) basic and 4.33p (3.55p) after tax.

At March 31 net assets of 1071p (88p) per share, on (88p) after full conversion loan stock.

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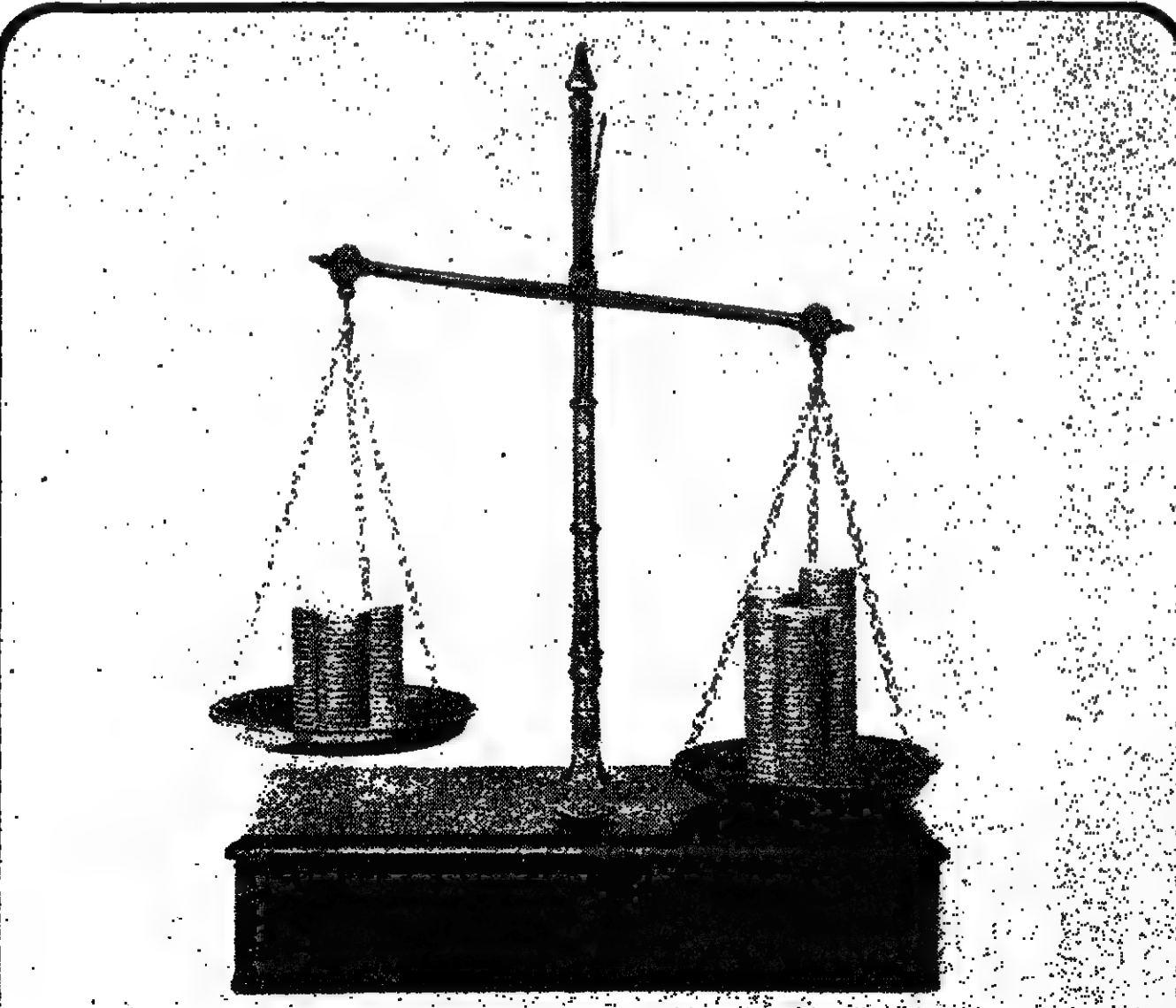
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We've put on weight in all the right places

	1974 £M	1975 £M	increase
Sales	£110.5	£151.8	37%
Profits pre-tax	£9.9	£16.0	61%
Earnings	£4.6	£6.7	45%
U.K. Exports	£11.5	£19.5	70%

In addition to these vital statistics a detailed description can be obtained from

BTR Limited, Silvertown House, Vincent Square, London, SW1P 2PL

Pittards Very clever leather

Highlights from the Accounts and Statement by the Chairman of the Pittard Group, Mr. D. W. Pittard, O.B.E.

40% of total sales exported — 5% up on last year, as employees therefore earning £4,847 in foreign currency, the export drive. Particular improvement in exports Europe.

Profit before tax up substantially, that from the second half being almost double that of the first half year.

Dividend increased by maximum permitted to total 20.826p per cent. Capitalisation issue of one-for-two.

If the upturn in world trade is reflected in the B.M. economy, there should be an increase in consumer spending in which your Group should share. It is hoped this will be the start of a new era of growth and prosperity.

Year ended 31 December
1975
Sales £10,360,000 £9,115,000
Profit before taxation 1,012,692 496,2
Profit after taxation 490,113 224,8
Ordinary dividend net 13,537% 12.68
Net earnings per share 10.0p

Copies of the Annual Report and Accounts are available from N.F. Wood, Pittard Group Limited, Sherborne Road, Yeovil, Somerset.

Wolf ELECTRIC TOOL

Extracts from the Chairman's Statement
The growth in the Company's sales was well maintained throughout the year. Our Overseas Subsidiaries have again increased their contribution to the Group Results by a significant margin as did the operating Company's direct exports.

The pre-tax profit of the Group shows an increase of 12.2% on the previous year... and the distribution of 12.35% recommended by your Board is the maximum allowable.

Board is recommending a Scrip Issue which will raise the share capital to a figure more consistent with the resources employed.

We entered 1976 with a year of solid achievement behind us, as for this great credit is due to the people working in the Group. The first quarter has produced a Sales Turnover in excess of £100 million, a figure which is not only a record for the Group but also a reflection of the high standards of production and service which have been maintained throughout the year.

Year ended 31 December
1975
Sales £10,360,000 £9,115,000
Profit before taxation 1,012,692 496,2
Profit after taxation 490,113 224,8
Ordinary dividend net 13,537% 12.68
Net earnings per share 10.0p

RHM jumps £6.76m. to £19.97m. in first half

SIGNIFICANTLY increased as expected by Ranks Hovis, the group's first half ended May 28, 1976, turn out to be 7m. before tax compared with £13.22m. last time. External expanded from £400m. to £407m. The second half some sectors are leading at lower profit than in the first, says the man Mr. Joseph Rank, but expects group results for the year to be "considerably better" than those of last year.

pre-tax - national conditions permitting - half-year earnings are shown up from an adjusted 1.5p per 25p share and the dividend is lifted from 1.25p to 1.5p net costing 3m. Last year's final was 1.25p.

Earnings per share are based on profits after minority interests and preference dividend, but no extraordinary items and on 3m. Ordinary shares. Earnings 1974-75 have been reduced by appropriation of £1m. to re-serve for pensions and the calculation is based on 247.5m. shares, the adjusted weighted average following the rights issue. Earnings for the first half of 1975 have been adjusted as appropriate.

Half-year 1975-76
1974-75
1975-76
1976-77

Turnover	£38,000	£37,500	£39,000
Profit before tax	£7,000	£7,500	£8,000
Profit after tax	£5,500	£6,000	£6,500
Dividend	£1,250	£1,250	£1,500
Net profit	£4,250	£4,750	£5,000
Per share	1.5p	1.5p	1.5p

Chairman reports that the flour mill and bakery were not materially affected but other trading units showed improved results, including the bakery division which returned to profit trading although at a level

which is "still far from showing an adequate return." The improvement in overall results was further helped by a material reduction in interest charges, adds Mr. Rank.

comment

Ranks Hovis is £8.7m. ahead pre-tax. Reduced interest costs accounted for £1.9m. of that, and a turnaround, out of losses in baking might have been worth close to £4m. so the underlying earnings trend is still nothing to get excited about. This half, the sectors running into flatish conditions look likely to be led by the agricultural side, which has been butted possibly 15 per cent. of pre-interest profits in 1974-75. And although baking will have some five months of a price rise, it did return some kind of a profit for the second half of last year. Mr. Rank Hovis makes £37m. pre-tax overall, earnings should emerge at about £14m. - enough to cover a prospective 5p per cent. yield at 54p around 14 times. The market capitalisation is £145m. and the shares have shown a fair degree of relative strength this year.

Statement Page 24
See Lex

Best-ever £15.1m. by Richard Costain

TURNOVER of public works contractors Richard Costain expanded by 34 per cent to £239m. in 1975 and taxable profit was a record £15.1m., an increase of 42 per cent. The expectation at half-way, when profit was up from £11.9m. to £15.1m., was "a useful increase."

At end-March orders on hand totalled £500m. (about three quarters for overseas work) and Mr. J. P. Sowden, chairman, anticipates "further good progress in 1976 and a significant increase in profits."

Yearly earnings are shown to be up from 21p to 26.5p per 25p share - dividend total is the maximum permitted £22.25p net (£5.384p) with a final of 2.2225p. A one-for-two scrip issue is proposed.

1975 1974

Turnover	£239,000	£178,000
Trading profit	£15,100	£11,400
Profit before tax	£15,100	£11,400
Profit after tax	£11,900	£8,500
Dividend	£2,222.50	£2,222.50
Net profit	£9,677.50	£6,277.50
Per share	26.5p	21.0p

comment

Costain probably stands a good chance of topping £18m. pre-tax this year for earnings of around 30p a share. Australia and the Canadian associate are still pushing ahead firmly, Nigeria should be up and the pace is clearly quickening in and around the Middle East. The UK - say 33 per cent. of pre-tax profits last year - is going to be flat after 1975-76's boost from loss elimination, but any further losses in Portugal will compare favourably with last year's £0.7m. Meantime, Costain's balance sheet muscle now extends to cash balances of close on £10m. and net borrowings of just under £5m. At 235p the shares yield 24 per cent., covered more than six times.

H. Woodward restores 1.7p dividend

Second-half profits of H. Woodward and Son amounted to £104,643 bringing the total for the year ended September 30, 1975 up to £221,531, compared with a loss of £74,210 in 1974-75. The result was struck after subsidiaries' losses of £140,945, against £225,068.

With a final of 1.5p the dividend is being restored to the level of 1.7p paid for 1973 when pre-tax profit came to £121,012. The 1973-74 payment was 0.5p.

Turnover amounted to £5,394,734 (£7,233,701). After tax £127,039

Jones turns in record £1.18m.

A best-ever pre-tax profit of £1.18m. compared with £0.94m. is announced by Dublin-based Jones Group for 1975. Stated earnings are up from 4.56p to 5.63p per 10p share.

In October last year, when reporting first half profit up from £457,000 to £546,000, the directors said they were confident that group earnings would show an increase over the previous year.

Now, the chairman, Mr. L. St. John Devlin, reports that engineering companies have secured a substantial amount of work. Manufacturing division result will exceed those for 1974 and the shipping division, despite difficulties, will hold its own in the current year, he adds.

A final dividend of 5.5p gross raises the total from 4p to 4.5p.

1975 1974

Turnover	£5,394,734	£4,570,000
Trading profit	£1,180,000	£940,000
Profit before tax	£1,180,000	£940,000
Profit after tax	£880,000	£700,000
Dividend	£550,000	£450,000
Net profit	£330,000	£250,000
Per share	5.63p	4.56p

LAMIT FUNDS VALUATION

Revaluations at April 30, 1976 of the funds set up by the Local Authorities' Mutual Investment Trust showed a figure of £39.78m., including £3.7m. in property, for the Wider-Range Fund, against £28.48m. at March 31, 1975 and £28.41m. at April 22, 1975.

The revaluation for the Narrower-Range Fund was £2.68m., against £2.06m. and £4.52m. respectively, and for the Property Fund £44.34m., against £44.12m. and £24.1m.

Income per unit available for distribution in the period from April 22, 1975 to April 30, 1976 was: Wider-Range 8.5p, Narrower-Range 8.44p, Property 7.51p.

Good start by Ocean Transport

At the moment, the gap between most of the British yards and many foreign yards is too wide to be bridged by commercial means alone.

On the possible Government's constraint on British shipowners to order in British yards regardless of competitive prices or conditions, Sir Lindsay says it could only be folly if, in pursuit of other objectives, "the government dragged us down in order to support an industry ailing from its own internal problems, not through any fault of ours."

In many British yards, as elsewhere, there is a grave lack of work in prospect for 1976.

Turning to news of plans for the acquisition of the USSR's merchant fleet which "continues to suggest that they are likely to make further inroads into some of the world's major cargo lines," Sir Lindsay says: "Nothing but concerted action by governments of the traditional maritime countries, and others, will be sufficient to fend off this great threat."

On April 21 it was reported that pre-tax profit for 1975 dropped from £28.98m. to £24.58m. - dividends are up from £1473p to £1664p.

Meeting, Liverpool, June 7, 2.30 p.m.

Chairman's Statement Page 23

Prospects at Lowland Drapery

Mr. J. Crawford McKell, chairman, believes the difficulties experienced by Lowland Drapery Holdings in 1975, to be temporary. Provided the current recession in the textile and allied trades is not unduly prolonged, he adds, the company will "shortly resume the growth in profits which has been characterised it for many years."

In 1975 turnover increased only marginally over 1974, and as a result of steeply rising costs profit fell to £16,000 against £24,000 before taxation and provision for extraordinary losses. As reported the net dividend is 3.15p (£1.49p) - the margin of profit over dividend would not be adequate but in view of the substantial non-recurring expenses incurred and the marked improvement in the liquid position, the directors believe their recommendation is in the best interests of the company and its shareholders, says the chairman.

The year was one of mixed fortunes for the various group companies, he comments, and in particular the retail members had difficulty in maintaining sales particularly in electrical departments, following the sharp increase in VAT.

The wholesale divisions maintained their sales but did not increase their sales sufficiently to achieve the level of profits expected.

Meeting, Glasgow, June 2 at 12.15 p.m.

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AGENDA

- 1. Review of Industrial Relations
- 2. Review of Industrial Real Estate Assets
- 3. Review of Industrial Production Techniques
- 4. Review of Industrial Materials Supply
- 5. Review of Industrial Energy
- 6. Review of Industrial Pollution
- 7. Review of Industrial Safety
- 8. Review of Industrial Research & Development

"Minute 8. Subject was discussed and it was agreed to arrange a conference with Jones, Lang, Wootton. It is understood that they can offer the complete international advisory service our organisation needs in respect of property, including relocation, under-utilisation and asset valuations for mergers, takeovers, acquisitions and disposals, etc."

"Our contacts there are Mr. K.R. Easter F.R.I.C.S. or Mr. C.T. Denniford F.R.I.C.S. J.L.W. Industrial Department, 33 King Street London EC2V 8EE.
Tel: 01-606 4060. Telex: 885557."

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International Real Estate Consultants

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South East Asia: Hong Kong, Singapore, Kuala Lumpur, Kuching, Middle East: Cairo, U.S.A.: New York.

Burmah

The Burmah Oil Company Limited

Annual Report and Accounts 1975

The chairman's statement and report of the directors contain detailed information and comments on:-

Results for 1975
Disposal of North American assets
The North Sea
Tankers and LNG carriers
Group operations worldwide
Asset disposals during 1975
The BP stockholding
Board changes
Prospects for the future

To obtain a copy, use the coupon below

The year at a glance	1975	1974
	£ millions	£ millions
Turnover net of duties	914.8	872.1
Profit on trading excluding tankers	85.2	99.4
Loss on tankers	(30.6)	(31.4)
Profit on trading	54.6	68.0
Net operating profit	10.5	29.3
Dividends from UK companies	3.5	15.3
Net interest charge	33.2	41.3
(Loss)/Profit before taxation	(13.6)	9.9
Loss before extraordinary items	(23.0)	(7.7)
Extraordinary items	12.6	(7.7)
Loss after extraordinary items	(10.4)	(15.4)

To: The Secretary
The Burmah Oil Company Limited, Burmah House, Pipers Way, Swindon, Wilts SN3 1RE
Please send me a copy of the Annual Report and Accounts 1975

Name: _____
Address: _____

STATEMENT BY THE CHAIRMAN
Mr. J. A. Peacock, C.M.G.

Head Office: Dushy Road, Raynes Park, SW20 6JJ.
Tel: 01-948 9111

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains.

Matthew Hall & Co., Ltd., **Matthew Hall Mechanical Services Ltd.**, **Matthew Hall Engineering Ltd.**,
Holiday Hall & Co. Ltd., **New Hall Group Services Ltd.**, **George A. Sirlough Ltd.**, **Matthew Hall Ortech Ltd.**
Matthew Hall (Pty.) Ltd. (Australia), **Matthew Hall Inc. (U.S.A.)**, **Matthew Hall S.A. (France)**
Matthew Hall - O.T.P. Ltd., **Matthew Hall Keyways Engineering B.V. (Holland)**
Matthew Hall Keynes Engineering N.V. (Belgium), **Norcoin Projects Ltd.**
Travel Projects International Ltd.

MINING NEWS

General Mining as energy

by KENNETH MARSTON, MINING EDITOR

THE background of the current flurry of interest in the South African gold-mines annual report general mining finance has been the higher terms for about 50 per cent. fixed uranium contracts and that further negotiations in progress. The group's uranium producers are negotiating with the West Rand Consortium. It is likely that the group will join them in the near future.

Another sector of the energy General Mining's coal division is expected to expand production from 250,000 tonnes per annum to 400,000 tonnes over the next five years. It is expected that unless South Africa's domestic price is revised, the group's coal division will be sold, while the rest of the group should remain intact. Looking ahead, a large uranium deposit has been discovered along the Zulu and United States Steel being partner in this project.

at year General Mining lifted its 18 per cent. to 20.5m. (20.5m.) and with the help of an 18.5m. (18.5m.) loan secured a 10 per cent. stake in Union Carbide. The latter may increase General Mining's proportion of the total production of chrome. Investment income, a further 10 per cent. coming from mining interests.

Despite the likelihood of a lower gold price, this year's general mining may well achieve a cash increase in profits. But group still needs an injection of finance to provide a further 10 per cent. of its growth. The group's assets at end-1975 were £20.5m. (20.5m.) per share the 5.8m. shares in issue.

ABOUT STRIKE HITS KAMBALDA

reflecting the 10 day strike which ended on April 15 and left a standstill virtually whole of the Western Australian nickel industry, output in Western Mining's Kambalda mine for the four weeks ended 4 fell to 82,588 tonnes from 244 tonnes in the previous 10-weekly period. The latest ore includes 13,598 tonnes of material purchased from Metals International. There is no purchase of material in the previous four weeks. Nickel grade was slightly higher at 1.03 per cent. against 2.47 per cent. but concentrate output was up at 15,770 tonnes compared with 10,188 tonnes, grading 33.81 (2.81) per cent. nickel and 1.01 (0.71) per cent. copper. In addition, 3,085 (7,104) tonnes of concentrate assaying 10.35 (5) per cent. were produced at Windarra nickel mine in which the company has a joint interest with Poseidon. At the latter's gold operation, 3,771 (5) tonnes of ore were treated, 185 (494) ounces of gold. Mining were 173p arday.

NGLO TO OPEN TANGANESE MINE

South Africa's Anglo American Corporation is to develop a 10,000-tonne mine in the Northern Tanganyika region. The mine is a final capital cost of over £10m.

TCL's R170m. expansion

THE South African Review Rand group's Transvaal Consolidated Land coal-platinum group reckons to spend some R170m. (£106m.) over the next seven years on the further expansion of its coal and chrome interests. At March 31 capital commitments stood at R20.5m. for which the necessary financial arrangements had been concluded.

Meanwhile, net profits for the six months to March 31, amounting to R5.5m. (£3.5m.), equal to 7.5 cents (48.8p) per share. It is officially anticipated that the total for the year will exceed the R9.9m. earned in 1974-75 and that the dividend will not be less than that year's 65 cents (40.7p). An unchanged interim of 23 cents (14.4p) is now declared. The company also states that compared with book value there is a "material excess" in the realisable value of assets, but that this excess has not been established owing to the complexity of the items involved. The shares of this up-and-coming group rose to 51 1/2 yesterday.

WOODSREEF TO EXPAND OUTPUT

Plans to increase asbestos mill production at its Barraba, New South Wales, operation by one-third to 115,000 tonnes a year were unveiled at the Sydney annual meeting of Woodsreef Mines by the chairman, Mr. H. H. Robinson. Financial arrangements have been completed for the expansion which will cost £11.5m. (£11.5m.). It is expected to be completed by late-August. Mr. Robinson added that world demand for asbestos fibre was buoyant and should continue so in the foreseeable future with increases in sales prices expected later this year. The company is negotiating a sales agreement with Japan's Marubeni which will enable it to sell direct to south-east Asia and provide for a substantial minimum tonnage to be shipped to Japan.

In view of the "improved situation in Australia, Woodsreef Mines' parent company, Canada's Woodsreef Minerals, has filed an application to make a fixed-price offering of 1.75m. shares of the latter company's which would wipe out all current debts and provide working capital for immediate needs. Woodsreef Mines reduced its loss in the year to last October to £2.74m. (£2.74m.) from £3.38m. (£3.38m.) in the previous year. The two orebodies at Barraba are estimated to contain over 47m. tonnes of mineable asbestos rock.

COPPER IN THE PHILIPPINES

A net income of P20,480m. (£2.4m.) for the first quarter of 1976 is reported by the Philippine copper producer, Atlas Consolidated Mining, compared with P20,480m. for the same period of last year. Copper production in the latest period totalled 59,720 pounds against 58,820 pounds previously with a net average price received per pound, after deducting refining charges, of 54.58 cents compared with 51.31 cents.

The company's president, Mr. Joseph M. Soriano, says that the profits would have been higher had it not been for an increase in smelting and refining charges, offsetting the higher metal price obtainable. Also in the Philippines, Exploration and Mining is seeking a foreign partner to assist financially in the exploration of its Masara copper property and justify a mill capacity of 30,000 tonnes daily, based on the belief that base metal prices will rise. Apex is also hoping to expand gold production at Masara owing to the location of more gold bearing ore.

MINING BRIEFS

WESTERN MINING—Four weeks to May 4: Central Newsman Gold, treated 14,820 tonnes; 7,200 tonnes. Poseidon Mining Associates "treated 40,822 tonnes for 4,467 ounces. Windarra 100 ounces from Charters Mill clean up.

EX-LANDS—NIGERIA—April '76: Anglo American "treated 25 tonnes (March 25) at a final capital cost of over £10m.

BIDS AND DEALS

Wm. Baird terms for Thomas Marshall

William Baird is making an offer of up to £1.5m. for Thomas Marshall Investments. Textiles are now Baird's biggest single interest and the combination of the two companies will create a textile group with an annual turnover of over £50m.

Terms are: for every 18 shares of TMI, either 14 shares in Baird or seven shares in Baird and 25 in cash. A cash offer of 35p is to be made for the 200 preference shares in TMI. With Baird standing at 102p last night, the all share offer is worth 89p per TMI share and the cash alternative is worth 85p against a market price of 99p, up 7p last night.

As the offer is pitched at some 80 per cent. above TMI's net tangible assets of about £2.5m. (based on the Board of TMI's forecast of annual profits for 1975/76 being "closely in line with that for the preceding year"), Baird is offering a dilution in net asset value of the order of 15 per cent. from 139p to 119p a share. But pro-forma earnings per share will increase by 12 per cent. to 10.5p, or by 20 per cent. to 11.1p under the share/cash alternative.

The chairman of William Baird, Mr. S. A. Field, commenting on the trading aspects of the offer said yesterday that the deal would expand the number of large customers and widen the group's range of products, so strengthening greatly Baird's competitive position.

Debenhams to buy Hamleys

DEBENHAMS is making a £4.75m. cash offer for Hamleys, the toy retailers, in which, at the time of its liquidation in 1971, Lines Bros. held a majority stake. Both the joint liquidators of Lines Bros., who held 35.4 per cent. of the Ordinary shares and 7.8 per cent. of the Preference, and the Board of Hamleys (which includes Mr. M. A. Jordan, a joint liquidator of Lines Bros.) have irrevocably agreed to accept for a total of 85 per cent. of the Ordinary shares and 25.7 per cent. of the Preference.

Terms are: 42p cash for each Hamleys Ordinary share and 70p cash for each Preference. Debenhams will acquire the capital with effect from March 1, 1976; shareholders, however, will be entitled to the interim dividend of 10p net in respect of the year ended February 29, 1976. Preference holders will also be entitled to their dividends for the half year to March 31, 1976.

CROWN AGENTS
The Crown Agents has sold its holding of 1.3m. shares (25.3 per

cent.) in Singapore International Merchant Bankers. The continuing shareholders are Oversea-Chinese Banking Corporation, Singapore's largest bank, Continental Illinois National Bank and Trust Company of Chicago and Mr. Yong Pung How.

In addition, Four Millbank Investments—a wholly-owned subsidiary of the Crown Agents—has sold its 10 per cent. shareholding in Crown Cassette Communications to English China Clays, which already holds the remaining 90 per cent.

These sales are in line with the Crown Agents' current policy of disposing of their own-account holdings in an orderly manner, over the past few months these have totalled some £13m.

EDBRO £0.58M. FOR CARRIMORE

EDBRO (Holdings) is bidding £582,500 for Anthony Carrimore, whose share quotation was suspended in September 1973.

Terms are: nine Edbro shares for every 20 shares in Carrimore, which with 23dbro closing 2p lower at 116p last night, is worth 32p per Carrimore share. An offer of 30p cash is to be made for Carrimore Preference shares.

A condition of the offer is that the existing Department of Industry loans to Carrimore be continued on no less beneficial terms.

"Our financial position is strong...we are well poised to pursue opportunities for expansion"

Sir Lindsay Alexander, Chairman.

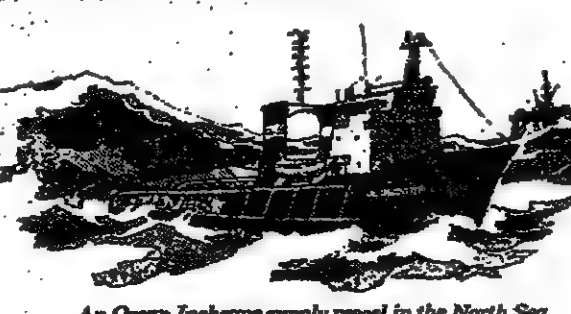
EMPLOYEES 1975 was the most difficult year for UK since the great depression of the 1930's. Employees have been facing problems almost unknown to them. They have responded magnificently.

OCEAN FLEETS' seafarers maintained high standard of operational efficiency and flexibility.

FINANCE Pretax profits are 22% lower than 1974 but must be considered satisfactory in a year of depression and inflation.

The sale of assets in 1975 realised £88 million. The rights issue announced in January this year has brought in £23 million cash. The arrangement with BP and Mitsubishi Heavy Industries for leasing four large cargo liners for 15 years is equivalent to long-term financing approaching £40 million.

BALANCE OF PAYMENTS The Group's contribution to the UK's balance of payments in 1975 was £79m. It invested £14m. in foreign currency leaving a net contribution of £65m. Its share of Associates' foreign currency transactions is substantial.



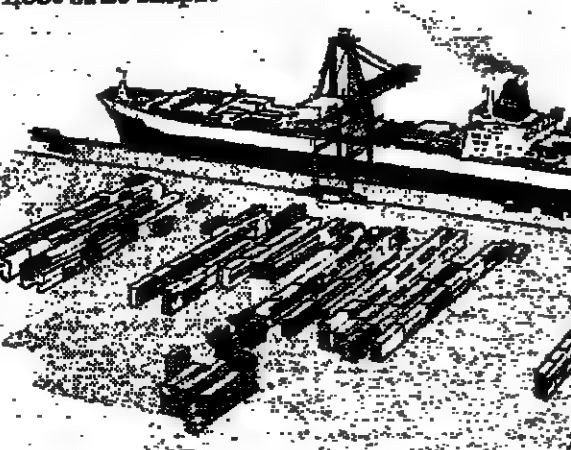
An Ocean Incheape supply vessel in the North Sea.

LINER TRADES Formation of Ben Ocean and Barber Blue Sea Line joint services resulted in more efficient scheduling.

BLUE FUNNEL Far East ships maintained reasonable utilization of capacity.

ELDER DEMPSTER West African trades produced good results.

PANOCLEAN (50%) Prospects enhanced by combining with Anco Tanker Service to form Panoclean-Anco with a joint fleet of 20 ships.



OCL container ship at Southampton.



Ocean Fleets' cadet training establishment, 'Aulis'.

OCEAN TITAN Product tankers experienced difficult trading conditions. Bulk carriers had another good year.

CORY SHIP TOWAGE traded successfully in 1975, achieving satisfactory profit.

OCEAN INCHEAPE (60%) Eight supply vessels operated well. A large pipe carrier, 'Oil Challenger', joined fleet of specialist vessels.

WM CORY Solid fuel distribution continued planned advance into the industrial market and oil distribution achieved good results.

CORY DISTRIBUTION progressed well with a significant increase in market share.

SUMMARY OF RESULTS 1975

	1975	1974
Turnover	£'000 311,513	£'000 285,397
Profit before taxation and extraordinary items	22,580	28,977
Extraordinary items	2,587	2,011
Profit attributable to Stockholders	13,300	13,591
Earnings per stock unit based on profit before extraordinary items	12.19p	13.24p
Dividends per stock unit (incl. tax credit)	10.25p	9.32p

WATTS BLAKE BEARNE & COMPANY LIMITED—NEWTON ABBOT

The future looks much brighter

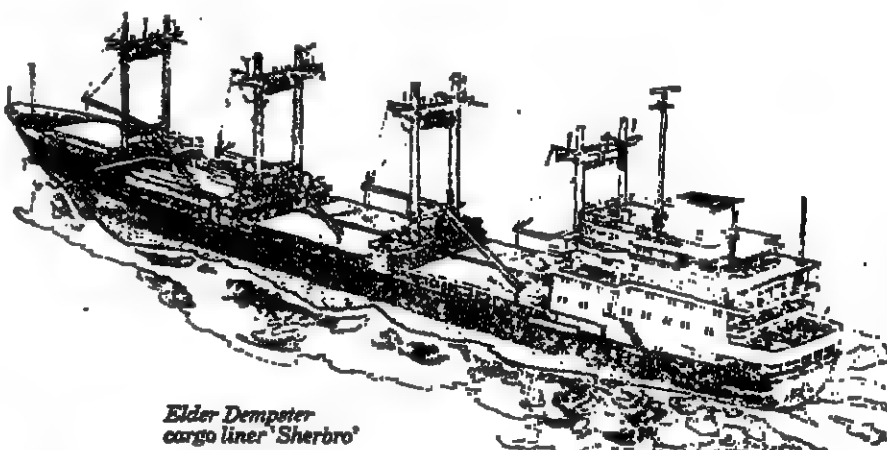
Mr. C. D. Pike, O.B.E., M.A., LL.B., the Chairman, in his annual review, reported:

- * Pre-tax profit of £1,624,117 (£1,456,855).
- * Capitalisation issue of one for four.
- * 73% of Ball Clay sales value was exported.
- * Sales pattern of China Clay maintained.
- * In Germany, long-term development plan being implemented.
- * Prospects: The more buoyant demand we expect in 1977 and 1978 should start to materialise towards the end of this year.

Annual General Meeting: 4th June 1976.



PRODUCERS OF BALL AND CHINA CLAYS



Elder Dempster cargo liner 'Sherbro'

McGREGOR SWIRE AIR SERVICES
The airfreight industry had a bad year, but none-the-less MSAS improved margins and volume.

SOUTH EAST ASIA—STRAITS STEAMSHIP (59%) increased profits with a successful year in shipping, transportation, engineering, oilfield supplies, and property.

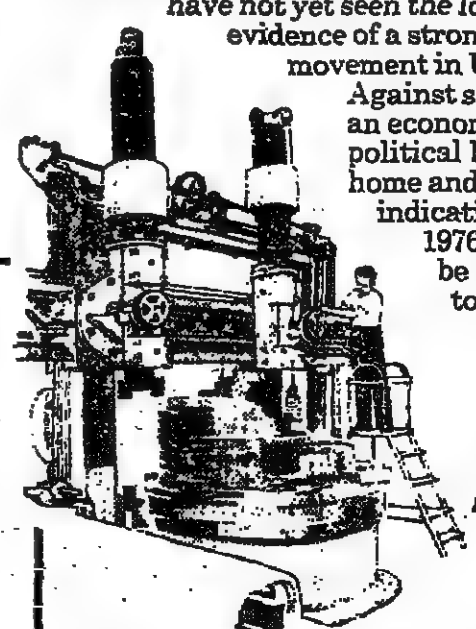


MSAS airfreight.

OVERSEAS CONTAINERS (49%) OCL produced a very creditable result despite substantially reduced volume in its trades. Plans are well ahead for containerisation of South African and New Zealand trades.

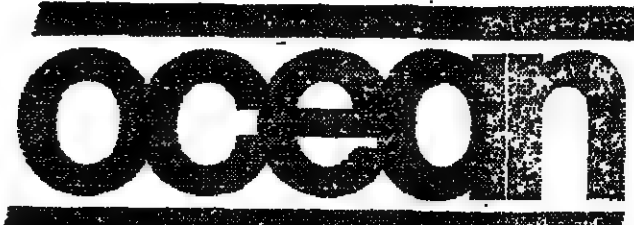
PROSPECTS The year has begun reasonably satisfactorily, though we have not yet seen the long awaited evidence of a strong upward movement in UK trade.

Against so uncertain an economic and political background, at home and overseas, the indications are that the 1976 results should be broadly similar to those of 1975.



Watt & Akermann—precision engineering in Singapore.

These are extracts from the Review by the Chairman, Sir Lindsay Alexander, and from the Report of Activities. Full copies can be obtained from the Secretary, Ocean Transport & Trading Ltd., India Buildings, Liverpool L2 0RB.



Ocean Transport & Trading Limited

WIGHT

CONSTRUCTION HOLDINGS LIMITED

Annual Report 31st JANUARY 1976

	1976	1975
Turnover	£13,171,251	£9,599,071
Group Profit before Taxation	£282,042	£449,558
Earnings per Share	17.48p	17.03p
Dividends per Share	8.105p	5.625p

Points from the Statement by the Chairman—Mr J. Marston.

- Your Board's present Policy for Wight Construction is one of consolidation whereby the challenge of these lean times is met without impairment of the Company's overall efficiency.
- It is anticipated that the levels of Turnover and Profit for Wight Construction in 1976/77 will be similar to those of last year.
- The performance of Wight Plant continues to be most satisfactory.
- Because of the substantial and increasing amount of the Group's cash resources and investments, your Board has decided to concentrate activities in this field within a single Company—Wight Investments (Palmont) Limited—which commenced trading on 1st February 1976.
- I am cautiously optimistic that the Group results for the current year's trading will be no less favourable than those presently before you.
- To all employees of the Group, I would wish to record my sincere appreciation of their hard work and effort in achieving these results.

Copies of the Report and Accounts may be obtained from the Secretary.

WIGHT CONSTRUCTION HOLDINGS LIMITED,
P.O. Box No. 1, Polmont, Falkirk, FK2 0PP.

SMALLER BUSINESSES ADVISORY SERVICES & FREEMAN CONSULTANTS
a concise 44-page

GUIDE TO EMPLOYMENT LAW

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Price: £2.20p p/p; 40 copies £7 (inclusive); 25+ by arrangement. PUBLISHED BY: CHITERS ROAD, STANTON, SUTTON COLDFIELD, WEST MIDS. B74 3NA.

Hall Group

INTERIM STATEMENT

RHM

RANKS HOVIS McDUGALL LIMITED

Half-Year Results

In his report to shareholders covering the half-year to 28th February, 1976 the Chairman, Mr. Joseph Rank says:

RESULTS

As forecast at the Annual General Meeting in January, the Group's pre-tax profit for the half-year to 28th February 1976 increased significantly to £19,974,000 compared with £13,216,000 for the corresponding period last year.

Profits from Flour Milling and Agriculture were not materially different from those of the previous corresponding period but most other trading activities showed improved results, including the Bakery Division which returned to profitable trading although at a level which is still far from showing an adequate return.

The improvement in overall results was further helped by a material reduction in interest charges.

INTERIM ORDINARY DIVIDEND

The Board has decided to pay on 19th July 1976 to Ordinary Shareholders registered at the close of business on 21st June 1976 an interim dividend for the year to 4th September 1976 of 12p per Ordinary share (last year 1.08875p per share) representing, with the related tax credit, 1.84615p per share (last year 1.675p per share). This dividend will involve a payment to shareholders of £3,262,979.

PROSPECTS

In the second half of the year some sectors of the Group may be trading at lower profit levels than in the first half but I would nevertheless expect Group results for the year as a whole to be considerably better than those of last year, national economic conditions permitting.

CONSOLIDATED PROFIT STATEMENT

	Half-year ended 28 February 1976 (unaudited)	Half-year ended 1 March 1975 (unaudited)	Year ended 30 August 1975
External Sales	6000	6000	6000
Profit before taxation	19,974	13,216	30,218
Taxation	10,425	6,975	15,418
	9,549	6,241	14,800
Extraordinary items (less taxation)	90	(26)	(901)
Minority interests	9,459	6,215	13,899
	344	324	700
Preference dividends paid	9,295	5,891	13,199
	142	142	283
Profit attributable to the Ordinary shareholders of Ranks Hovis McDougall Limited	9,153	5,749	12,916
Earnings per Ordinary share of 25p	3.3p	2.5p	5.2p

PHOSPHATES

FERTILIZERS & CHEMICALS

This year Aries International celebrates its 31st Anniversary, Dynachim is 18 months younger. Dynachim (U.K.) Ltd. of which Dr. Robert S. Aries is Chairman is more recent.

Dr. Aries congratulates I.S.M.A., the International Phosphate Industry Association for its 50th Anniversary. Aries thinks that a President from Phosrock is not necessarily the very best choice in view of the Phosrock OCP price record of the last three years; and particularly in view of the delicate supply, demand and price discussions of various committees which may fall under U.S. anti-trust regulations and soon under Brussels and Luxembourg ones.

If top management, sales and financial executives of the industry wish unbiased studies and advice they can write to: Dr. Robert S. Aries, Dynachim (U.K.) Ltd., 3rd Floor, 71-72 New Bond St., London W.1. Cables: Dynachim, London. Or Aries Chemical Management Group, 69 rue de la Faisanderie, Paris 75116. Cables: Ariesint, Paris.

PHOSPHORUS CHEMICALS

Be a year ahead of WPRI. Dr. Aries has worked on phosphorus detergents, insecticides, foods and feeds, paints and lube oil additives since 1950. Look up in "Chemical Abstracts" the over 100 Aries patents on phosphorus chemicals. Subscribe to PhosChem[®] analysing old and new non fertilizer applications of phosphate rock from a technical and economic point of view.

PHOSFUTUR 1976-82

Don't repeat your mistakes of the San Francisco ISMA Convention. Get your numbered copy of PhosFutur 1976-82 which plots world P.O. and phosphate supply (and world capacities) demand, prices, discounts, politics, qualities, joint ventures and outlook for 1976 and the next five years. Independent, fearless, different from ISMA Committees.

Other ARIES-DYNACHIM multiple client studies on FERTILIZERS & RAW MATERIALS. WORLDFOOD—Economics, Politics, Price of Commodities, Real Outlook. Gives a practical down to earth interpretation in dollars and cents of the excellent broad articles of the type published by "Science" (AAAS) and those on the responsibility of science, government and industry in feeding the human population at the remarkable ISMA symposium under the chairmanship of the Right Honourable Lord Netherthorpe, former chairman of Fisons: Prof. Bergstrom from Michigan; E. M. Martin, formerly of the U.S. Office of Strategic Services and many other national and international organisations; youthful Claude Chysson, former President of French state-owned Entreprise Minière et Chimique (EMC) and currently a member of the EEC Commission; and still more youthful technical and economic analyst Umberto Colombo of Montedison, whose speeches have graced many chemical meetings, but are not always heard in Milan.

AGRIYIELD—What happens when NO phosphate (or potash) is used for 2, 3, 4, or 5 years for different crops. Agriyield would be published with difficulty by organisations such as ISMA, as it may fall into the hands of farmers—and it proves that very little happens to yields when no phosphates are applied. But Saskatchewan takeover authorities will be happy to learn that a farmer cannot scratch potash from his purchase list for over a year without substantial loss of yield. SULPHURMARKET—World sulphur and sulphuric acid supply and demand. Ammonia and Urea 1976-82. Projected world balance.

BU CRAA PHOSPHATE ROCK

Separate the real supply and demand picture from the press releases and articles. Acquire a numbered copy of "PhosphatRock" 1976-82. It gives world supply, demand, prices, costs, special discounts, capacities, qualities, politics, exports, joint ventures and an outlook.

PHOSFUTUR 1976-82

For details of "PhosphatRock", "PhosFutur", nitrogen potash and other Aries country studies and different multiple client studies, you may consult advertisements in the current and recent issues of "Chemistry and Industry" published by the Society of the Chemical Industry, 14 Belvedere Square, London. They treat (fairly) and realistically the world supply, demand, prices, politics, capacities and outlook for 1976. Aries studies are in English. The 1976 European phosphate demand will not be equalled until 1978. The Times ISMA San Francisco supplement (May 27th 1976) remains as a record of Dr. Aries' correct advance thinking, presented only today by ISMA. Aries reports forecast for 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 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Wednesday
New Hall
success

Swedish Match forecasts weak first half

BY WILLIAM DUFFLOR

STOCKHOLM, May 11

SWEDISH MATCH forecasts a weak first half for 1976, with a half result this year with a drop in the second half strong enough to give a "somewhat better" profit for the year as a whole.

The 1975 accounts list pre-tax earnings of Kr.71.4m. (\$8.9m.) compared with Kr.27.0m. in 1974, or a 2.6 per cent. sales growth to 4.38bn. (\$545m.). In fact a change in presentation has been made for the 1974 accounts. An "other income and costs" item, included before the pre-tax figure, has now been lumped together with capital gains as "extraordinary income" after the Kr.71m. result.

The 1974 presentation is applied, pre-tax earnings for last year came out at Kr.38.1m. against Kr.25.7m. in 1974. A drop in stock profits seems to be a pre-tax figure of around 10% for 1975 and Kr.130m. for 1976.

The 1975 accounts also reveal a switch in Swedish Match's financial strategy. Whereas 1974 was characterised by a strong increase in short-term bank loans of a modest rise in the long-term debt, long-term borrowings in 1975 rose by Kr.276m. (\$34m.) and short-term borrowings by Kr.130m. (\$16m.).

The group made a Dm.80m. loan at 9 per cent. in West Germany, a private placement of Kr.50m. at 8 per cent. in Denmark and raised a Kr.300m. at 9 per cent. in Belgium. In January this year a company raised a Kr.75m. at 9 per cent. in Sweden. Net interest charges moved from Kr.53.6m. to Kr.58m. and liquid assets rose to Kr.32m. over the year to 391m.

Investments have been cut back, reaching only Kr.247m. last year against Kr.317m. in 1974, and a number of major projects have been postponed. Budgeted expenditure for 1976 is Kr.280m. Group inventories actually declined last year by Kr.27m. to Kr.967m., while claims on customers grew by Kr.54m.

Swedish Match's main problem has been the low level of West German building activity, which has hampered its efforts to bring its German acquisitions to a satisfactory profit level.

But there are signs at last of revival. The interior products division, where the Kuebel furniture companies in particular have held back earnings, expects to return to its 1974 profit level this year.

The match division is expected to make its usual sizeable contribution to earnings (nearly 60 per cent. of trading profit last year) and the building components division, marketing in the Nordic countries, forecasts a considerable improvement.

Prices have started to climb and deliveries to increase in the board division, which made a trading loss of \$1.5m. last year. But it is not expected to reach a satisfactory profit level before 1977. An improvement is also expected in the re-christened cardboard division but capacity has just been expanded from 80,000 to 130,000 tonnes a year and sales will have to double before earnings are high enough.

"Effective cost-saving measures and higher prices" will be needed to maintain employment in the packaging division, where trading profits slumped to Kr.12m. last year from Kr.37m.

With an economic upturn in sight and with restructuring and rationalisation continuing, Mr. Delboft feels that "looking a little further ahead" the group is again nearing a period of improved profitability.

Malaysia and Cuba seek loans on Euromarket

BY MARY CAMPBELL

THE SYNDICATED lending sector of the Euromarket now appears to be picking up after a lull of several weeks when very few large-scale loans were announced.

Malaysia is expected to come to the market for \$200m. via a bid headed by Citicorp International, while Eastern European borrowings are proceeding. The latest bid here is for \$50m. for five years for the national Bank of Hungary.

Also in the market is a \$200m. loan for Banco Nacional de Cuba. The intriguing feature of this loan, which for five years has been in the red of 14 per cent., is that the lead manager is Union des Banques Arabes et Françaises.

To the surprise of some Euromarket bankers, the indications in the latest series of loans are maturities are lengthening and spreads are narrowing. The laymen are said to be seeking

their \$300m. for seven years on spreads which range from 14 to 16 per cent., close to the prime rate of 14 per cent. The Euro-area is said to be looking for an upward of 14 per cent. for other current borrowings by Eastern European countries. The spreads on current Eastern European loans are, however, "adjusted" by more than usually the latest bid here is for \$50m. for five years for the national Bank of Hungary.

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Confident forecast by LeNickel-SLN

BY KEVIN RAFFERTY

NEW NOUMEA, May 11

SOCIÉTÉ Métallurgique LeNickel-SLN, one of the world's big three nickel producers, expects "satisfying results" again next year, M. Yves Rambaud, the company's general manager, told an international gathering of nickel-using industrialists here.

Last year, with a fall of 30 per cent. in world nickel consumption, SLN made a loss of Fr.53m. (about \$7.5m.). M. Rambaud described 1976 as a "transition year" in which SLN would begin to see some of the benefits of the upturn in the world nickel market of its new investments, and of important changes in its tax structure, under which the emphasis of taxation will be on profits rather than on turnover, as previously.

For the first time last year SLN's Doniambo plant in New Caledonia produced more than 71,000 tonnes of nickel, although it sold only 53,000 tonnes. This year the company is still producing more nickel than it is selling, but M. Rambaud said that he expected world nickel consumption to resume its trend of a 6 per cent. growth per annum.

The meeting here has been very much an expression of SLN's confidence in the future of nickel and its New Caledonia operations. The company has been host to more than 100 industrialists and nickel experts from Europe, the U.S., Japan and Australia. M. Rambaud told the industrialists that SLN was pushing ahead with expansion plans both in New Caledonia and in France.

In New Caledonia the capacity of the Doniambo plant would be raised to 90,000 tonnes of nickel before 1980, and to 100,000 tonnes at the start of the 1980s. At the same time pollution from the plant would be reduced.

In France the company would build a nickel refinery at Le Havre, producing high quality nickel.

Denmark to seek new loans

BY JAMES FORTH

THE CHAIRMAN of Williams Adams has declared that he

THE DANISH Government is to ask Parliament for authorisation to borrow a further Kr.2.5bn. (\$320m.) above this year. It has recently negotiated a \$200m. Euro-market loan, and this leaves it with outstanding Parliamentary permission to borrow Kr.1.8bn. After a Cabinet meeting yesterday Finance Minister Knud Højtenes said the Government would like to be able to utilise the present easy borrowing conditions in the international market. Højtenes reports from Copenhagen.

Denmark's first quarter trade deficit explains the Government's anxiety to borrow more money. The deficit came to Kr.9.4bn. for the whole of last year.

A YEAR-LONG attempt by the Swedish National Pension Fund to obtain a seat on the Volvo board has ended in a compromise. The board will recommend to the annual general meeting on May 17 the appointment of Mr. Sven Ruterström, a Social Democratic member of the Gothenburg City Council, writes William Dufflors.

The Pension Fund has a roughly 5 per cent. holding in Volvo but the board has insisted that members be selected on the basis of shareholdings but for their special competence or experience. Mr. Ruterström's experience in local politics and social affairs fits the bill at the same time as Volvo maintains the principle that a substantial shareholding does not automatically lead to board representation.

THE GROWTH potential of the U.S. market for industrial gases

which purpose it recently set up the Liquid Air Corporation of North America.

Société Générale points out that the group managed to maintain its volume of sales in 1975 and actually increase their value by 20 per cent. Its success was

based partly on its wide range of different markets, with a broad geographical spread. In the U.S. Air Liquide has concentrated on small and medium-sized customers, where competition is less fierce and profit margins higher.

The report emphasises the world-wide growth in demand for liquid oxygen, because of its use in fuel saving and in anti-pollution controls.

Meanwhile, the rapid expansion in refrigeration technology, with growth of the frozen food market in Europe, should provide an increased demand for nitrogen on this side of the Atlantic.

Air Liquide announced in Paris yesterday a basic agreement to purchase the Houston-based Southwest Cryogenics, 52 per cent. owned by Process Plants for more than 40%.

The agreement has been reached by Process Plants and Southwest Cryogenics.

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Williams Adams chairman denies takeover deal with Comeng

BY JAMES FORTH

THE CHAIRMAN of Williams Adams has declared that he

THE CHAIRMAN of Williams Adams has declared that he is not in a position to discuss a takeover bid for the company by Comeng Holdings, Australia's largest manufacturer of rolling stock.

Comeng announced the offer last Friday, after informal talks between the companies. Adams' chairman, Mr. Jim Rutherford, published a statement to clear up any doubts that a deal had been agreed between the companies. Nothing could be further from the truth, he said.

The other Adams' board members confined themselves to a statement advising shareholders to dispose of their shares. The board is successful in its bid. He had also told Mr. Pratley he believed the offer and has retained the

U.S. potential for Air Liquide

BY QUENTIN FREL

THE GROWTH potential of the U.S. market for industrial gases

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AUDI plan to repay 1975 loss from 1976 profits

MUNICH, May 11

For 1976, production is expected to rise to 255,000 units (205,218 after 266,420 in 1974) including assembly of the 1974 model for Porsche in Neckarsulm. Turnover should touch the Dm.3.5bn. level (Dm.3.2bn.).

Strobl added that a revised price structure within the VW group has helped Audi return to profit.

Strobl said Daimler Benz has asked VW to assemble 80 Mercedes estates says a deal for it operating loss in 1974. For 1975 its balance sheet shows a net profit of Dm.3.4m. (profit Dm.2.8m.) after a loss-covering payment from VW of Dm.7.4m. (Dm.7.1m.).

Audi also made an undistributed profit of Dm.3.5m. (Dm.3.0m.) while unspecified "other earnings" were put at Dm.1.5m. (Dm.0.8m.) including Dm.1.1m. extraordinary earnings (Dm.1.8m.).

Strobl said Audi made an Dm.18m. profit in the first 1976 quarter on turnover 29 per cent. higher at Dm.547m. while unit sales jumped 50 per cent. to 73,700.

VOLKSWAGENWERK subsidiary Audi NSU will be able to repay fully to VW its 1975 loss from profits made in 1976, Audi managing board chairman Gottlieb Strobl told a Press conference.

VW finance director Friedrich Thome said yesterday Audi was responsible for Dm.71m. of VW's 1975 parent company net loss of Dm.145m. and that losses at Audi had been met by VW.

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Pan American sells stake in N.Z. hotel

BY DAI HAYWARD

WELLINGTON, May 11

PAN AMERICAN Airlines is now owner of New Zealand's Auckland Intercontinental Hotel, its 38.8 per cent. of the shareholding has been acquired by the New Zealand construction company, Fletcher Holdings.

Fletcher have also acquired the 9.2 per cent. formerly held by the NZ Hotel Corporation.

The hotel has been managed by the wholly owned American subsidiary Intercontinental Hotel Corporation and accumulated losses totalled \$4.2m. up to last June. It opened in 1968 and the loss is five times the issued capital of \$840,000.

Disatisfaction with Pan American was widely expressed and this led to the change in ownership and management.

Mr. Robert Muldoon, the Prime Minister, has supported the Fletcher Holdings move. Now Fletcher plan that Vacation Holdings, a New Zealand hotel and holiday group, will lease the 320-bed hotel and operate it for an agreed fee plus a proportion of the profits.

The company is not daunted by the fact that the Intercontinental building cost nearly \$5m. to build and had a book value in December 1974 of \$37m. The current valuation is twice that figure, being set at \$72.5m.

The International Harvester Company of New Zealand increased sales by \$7.8m. in 1975 to a record \$31.8m.

The company increased its market share for both agricultural equipment and heavy duty trucks although the overall market diminished.

This is the eighth consecutive year of increased sales for the company in New Zealand. However, the net income and profit for the group dropped and the after-tax return of shareholders was 7.6 per cent. compared with 18 per cent. in 1974.

The main reason for the drop in profit was an exchange loss following the New Zealand devaluation.

Mr. Michael Collins, chairman and managing director, says although there is an increasing demand for the company's product it is inhibited in providing funds for expansion out of retained earnings because of New Zealand currency regulations. This was an unwelcome addition to normal business

EINEKEN AND BOLS

A refreshing skirmish

DEN HEINEKEN, one of the world's biggest brewers, tried to take over the Dutch Distillers' Guild, der Lucas Bols, the 400-year distiller of gin and other spirits, the result was a revealing at Heineken's expansion and a fascinating display of defensive tactics by Bols.

Heineken's expansion also provided a substantial short-lived boost to the sales of Bols shareholders, of whom many are wondering if the outcome was to their benefit, and it caused a less than a sensation among Amsterdam's professional investment community—a group which not seen such excitement this year, in view of the fish performance of most shares.

Heineken announced its intention to bid for Bols on April 1 and a state of market panic which had pushed the stock price up to just above 9, the initial reaction of the Bols management was negative.

A week later, however, the board of directors said with hesitation that they were going to consider an affiliation Heineken, a position they only dropped when the company announced the terms of its bid.

Heineken offered Fl.10 cash, 1.35 cash plus Fl.75 worth Bolsordinated bonds, for each share, valuing the company at the equivalent of Fl.1.5bn.

Bols described the offer "disastrous" and hastily rejected a package of defensive measures.

A chief deterrent to Heineken was Bols' decision on 26 to issue 450,000 new shares to the Lucas Bols Foundation, an organization quickly established for this purpose, at a price of Fl.15.65 each, later identified as a Lucas Bols of West.

Heineken said it improved its share of the Dutch beer market

in the six months ended in March and that the sales of its distillery division were up more than 50 per cent.

Had Heineken succeeded in taking over

WALL STREET OVERSEAS MARKETS

Mixed after attempts at 1976 high

FOREIGN EXCHANGES

Pound improves

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 11

ATTEMPTS TO break through the 1976 high attracted some profit-taking on Wall Street today and the market closed mixed in stepped up trading.

The Dow Jones Industrial Average closed at 1,006.81, down 0.87, its closing high for the year is 1,010.02, set April 21, while the Index reached 1,011 twice today before fading. The NYSE All

Weapons-for-Oil talks with Iran. Press reports earlier in the week also identified General Dynamics as a potential buyer of Northrop X-15, as the companies holding discussions with Iran.

Quaker Oats climbed \$1 to \$23, on sharply higher earnings. CBS moved ahead \$1 to \$52. International Paper \$1 to \$76.1, Communications Satellite also \$1 to \$28. Fluor \$1 to \$34.1, Burlington Northern \$1 to \$42.2, and Stauffer Chemical \$2 to \$102.2.

But, General Motors slipped \$2 to \$104. MCA \$2 to \$87.3, and SBC \$2 to \$109.1. Polaroid gave way \$1 to \$35.1, Standard Oil of Ohio \$1 to \$71.1, and Walt Disney \$1 to \$53.1.

Missouri Pacific Railroad was up \$1 to \$32 on expectations of some improvement over last year's performance.

Handy and Harman rose \$1 to \$28.1 on higher first quarter net earnings.

Martin Marietta were up \$1 to \$73.1.

THE AMERICAN SE Market Value Index rose 1.00 to 104.73, but the move was cancelled by 371 to 206. Turnover totalled 2.88m. (2.68m.) shares.

Common Index shed 6 cents to \$34.84, although gains outpaced losses by 766 to 600. Trading volume further expanded 830,000 shares to 22,30m.

Investors appeared to be taking a more favourable view of the economy in the long-term than before, but there was some concern, the Federal Reserve Board might tighten credit and cause short-term interest rates to rise to keep the booming economy from overheating.

With no special news factors to motivate investors, analysts said many traders focused on stocks with corporate news.

Boeing moved up \$1 to \$34.84 on 408,200 shares — it is one of three U.S. companies involved in

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TUESDAY'S ACTIVE STOCKS

Stock	Change
Boeing	+0.87
General Motors	-2.00
International Paper	+1.00
Quaker Oats	+1.00
Standard Oil of Ohio	+1.00
Walt Disney	+1.00

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OTHER MARKETS

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Indices

NEW YORK—DOW JONES

	May 11	May 10	May 9	May 8	May 7
Industrials.....	1006.91	1007.48	999.22	838.53	896.46
Domestic Bonds.....	72.57	72.87	72.76	72.86	72.88
Foreign.....	229.91	218.98	214.18	212.41	211.64
Utilities.....	87.48	87.35	87.37	87.65	87.45
Oil.....	23.86	22.78	17.81	16.20	14.87
Int. div. yield %				5.72	

FINANCIAL TIMES SURVEY

Wednesday May 12 1976

Wallonia

The French-speaking part of Belgium, Wallonia is the victim of a demographic and economic shift of power to Flanders. Efforts are being made to revitalise a region once made powerful by coal, but linguistic rivalry is a stumbling block.

INVEST IN WALLONIA UNDERSTANDING WHY!

OF COURSE...

You can find good reasons to invest in Wallonia such as privileged areas of industrial development, exceptional substructures for freight and business flights, up-to-date transport technique, abundant skilled manpower, ideal location in the Common Market (250 million consumers)...

BUT...

The State Secretary's Office to the Walloon regional economy applies in another way a policy of innovation for the profit of industry. To new investors, it gives special advantages for general aid as well as for fiscal and credit facilities:

- the lowest tax rate in the Common Market countries
- financial assistance for the training of labour
- special tax regime for foreign managers and employees of foreign enterprises established in Wallonia
- free transfer of capital and dividends
- no exchange control regulations
- no minimum capital required
- registration tax exemption
- interest free advances in frame of technological promotion contracts
- exemption from local and municipal taxes
- fully equipped industrial parks

INVESTING IN WALLONIA IS INNOVATING!



me introduces Wallonia to you.

and a half million French-speaking Belgians, of French
re, are ready to welcome you.

ie heart of the Common Market, and the meeting-point of
s from France, Holland, Germany and Great Britain, this
m, alone, epitomizes Europe. You will appreciate its
ric towns and its restful countryside. You will be impressed
s high-technology industries, the courage and hard work of
habitants, the assistance of all kinds that is offered to you.
u wish to make a productive investment in Wallonia, I shall
t your side to help you.

together that we shall build something new.

to invest in Wallonia is to innovate.



Jean Gol

State Secretary for the
Walloon Regional Economy

RECEPTION INSTITUTIONS

The encouragement of investment has always been of Government concern.

International Relations

In order to promote foreign investments in Belgium a specialised section has been set up in the Consulate-General in New York.

In most diplomatic posts in industrialised countries, an economic or commercial Attaché has special responsibility for promoting new investments in Belgium.

In Wallonia

The Secretary of State for the Walloon Regional Economy has a staff actively engaged. In providing information for foreign industrialists, working in close collaboration with regional experts in economic development.

Within the Department of Economic Affairs, a special section is responsible for providing general information for foreign investors.

The appropriate departments within, in particular, the Customs and Excise and Employment Offices are also anxious to help industrialists as much as possible (for entrepôts, across-the-border processing etc.).

In Walloon Provinces

Dynamic equipping companies manage the industrial estates and provide investors with any precise information required in any field (technical, financial, administrative etc.) and can provide very effective help in bringing their plans to fruition.

These companies can be found in all areas of Wallonia:

■ SECRETARIAT D'ETAT A L'ECONOMIE REGIONALE WALLONNE

Arts Center-Avenue des Arts 19h (Boîte 3)
1040 Bruxelles Tél. (02) 219.46.20
Telex 25.749 Erewal/Bru

and

■ Brabant wallon

Association intercommunale d'Aménagement et d'Equipe-ment économique du Brabant Wallon (I.B.W.) rue de la Religion, 10 B-1400 Nivelles.

■ Liège

Société Provinciale d'Industrialisation (S.P.I.) rue Lonhienne, 14 B-4000 Liège.

■ Luxembourg

Association intercommunale pour l'Equipe-ment économique de la Province de Luxem-

bourg (IDELUX) avenue Nothomb, 8 B-6700 Arlon.

■ Namur

Bureau Economique de la Province de Namur (B.E.P.) Palais des Expositions, place Rijckmans B-5000 Namur.

■ Hainaut

Association intercommunale pour le Développement économique et l'Aménagement des régions du Centre et du Borinage (I.D.E.A.) rue de Pâturage, 74 B-7300 Quaregnon.

Association intercommunale pour l'Aménagement du Territoire et le Développement économique et social des régions de l'Est et du Sud du Hainaut (A.D.E.C.)-Quai de Brabant, 29 B-6000 Charleroi.

Association intercommunale pour le Développement économique et l'Aménagement du Territoire du Sud-Hainaut (INTERSUD) Grand-rue, 9 B-6530 Thuin.

Intercommunale de Développement économique et d'Aménagement du Territoire du Hainaut occidental (SIDEHO) rue Saint-Brice, 25 B-7500 Tournai.

WALLONIA II

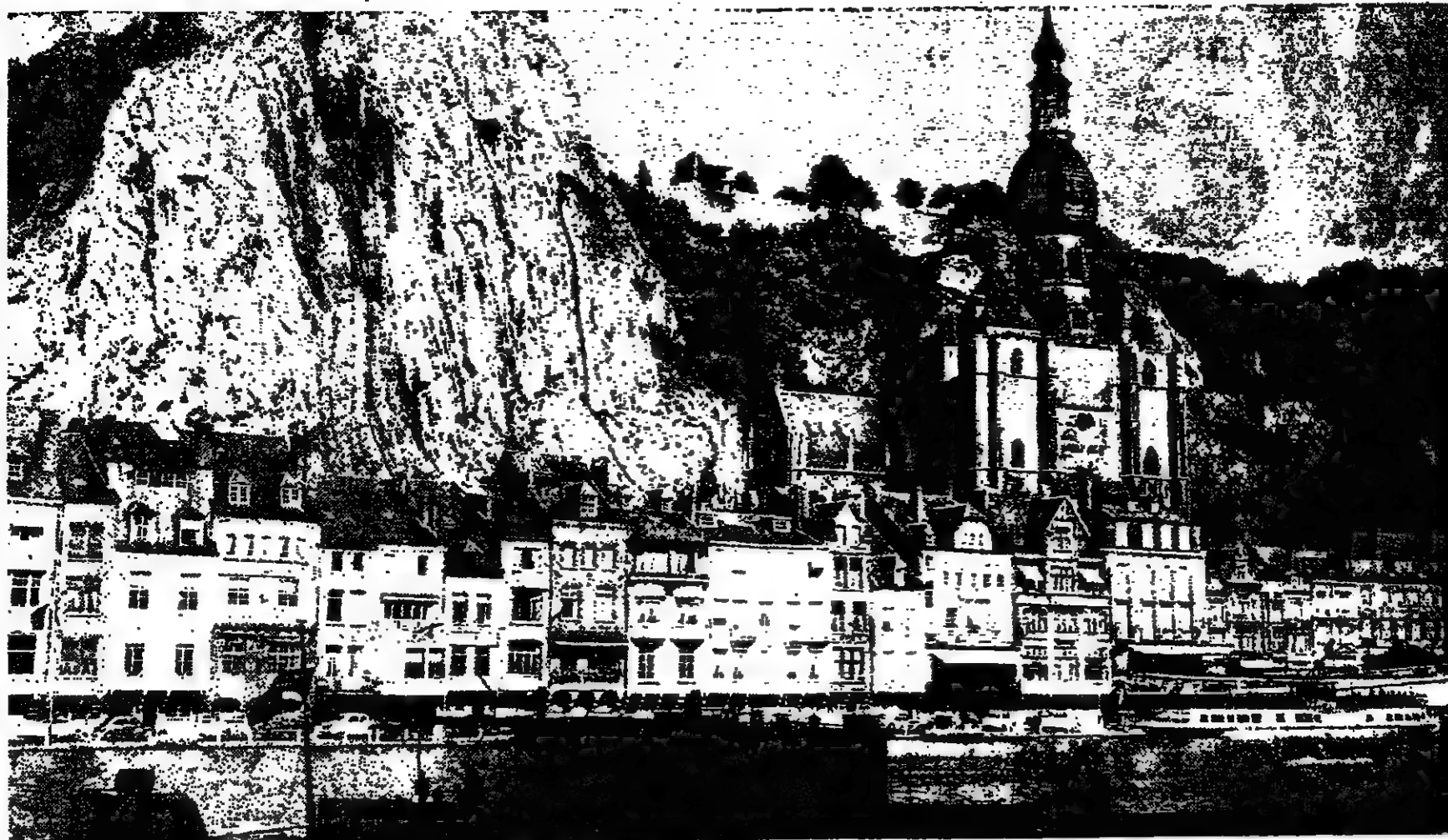
Communities separated by suspicion

BELGIUM CONSISTS of two nations pushed together by history and now very much wondering whether they would like to come apart. The biggest nation is the Flemings, with 55 per cent. of the population, who speak Dutch. They are mainly Catholic and heavily conservative. They occupy the northern half of the country including all the coastline, and have Bruges as their historical cultural focal point and Antwerp as the symbol of the post-war Flemish economic miracle based on foreign investment. This same economic miracle has transformed the Flemings from being the hewers of wood and the drawers of water, the lower stratum of a society dominated by French language and French society, into a national group engaged in a counter-offensive dedicated above all to cauterising the cancer of "Frenchification" wherever it threatens Flemish social autonomy. The battleground of this counter-offensive is the city of Brussels.

The second national group is the Walloons, the French speakers, who account for a third of the country's 10m. population, the heirs of the 19th-century dominance of coal and iron. On the strength of this dominance they made French the language of court, the Government, the bourgeoisie and, despite theoretical equality of status, of education. The Belgian industrial revolution, stimulated actively by an aggressively entrepreneurial court, and the Belgian colonial empire, equally sponsored by the Royal Family, were stories written overwhelmingly in French. The striking social phenomenon of the time was the crossing of the language frontier from Dutch to French by Flemings moving into the middle classes.

Wallonia has the best and the worst of Belgium. Its industrial heartlands to the east in Liège, dominated by old established companies like Cockerill in steel and Fabrique Nationale in weaponry and engineering, bear the ugly scars of decay and depression. Yet south-east, in the province of Luxembourg and its neighbour Namur, the rolling, steeply wooded countryside of the Ardennes has a splendour which even the Belgian passion for motorways cannot tame. The Walloons have a more radical political tradition, lean more towards socialism, and have a history of militant unionism and are tinged with anti-clericalism.

Between these two communities there is an enormous divide.



Dinant: the citadel and cathedral

Language is only the beginning, though that partitions the country at anything below white collar level into two nations who cannot talk to each other and who even at school, except in Brussels, do not learn to speak each other's language. Underlying that is a gulf of historical suspicion between the old underdogs in Belgian life and the new.

Problem

Leaving aside the small German-speaking community in the east of Liège province, the main problem of governing Belgium is trying to clear a path for decision-taking between the conflicting views of the two language communities — views which will almost always conflict. The global solution is the eventual creation of a federal state based on Flanders, Wallonia and Brussels, whose regional economic councils and regional development societies have been established alongside the central planning structure covering the three regions. The territory. A century ago

Brussels was majority Dutch-speaking, and its progressive Frenchification and the concentration of political and financial power in it is a source of constant Flemish complaint. Brussels also has the twin international communities of Belgium: the Spanish, Italian and North-African workers who keep the services running and the American and North European super-migrants who man Nato, the European institutions and the big company headquarters.

Belgium consists of three cultural communities: Dutch, French and German. Its constitution distinguishes four linguistic regions: Dutch, French, German, and Dutch-French bilingual. It lays down that the country is divided into three regions: Flanders, Wallonia and Brussels.

On the economic front, regional economic councils and regional development societies have been established alongside the central planning structure covering the three regions. The territory. A century ago

from Parliament, provincial councillors, and representatives of industry and the unions. Their main function is to act as regional watchdogs over the central planning process. The development companies have scope to carry out some executive responsibilities, the management of industrial estates, for example, but in practice are advisory bodies reporting to the economic councils.

On the political level two bodies exist in each region. They are the regional councils which

advise on regional policy, budgetary expenditure, public services, and general regional affairs, and the ministerial committees for regional affairs composed of ministers with regional responsibilities. They monitor and prepare government measures of a regional nature.

The cultural councils can issue decrees having the force of law in cultural and linguistic matters. For example, in 1973 the Dutch council decreed that in Flanders it was obligatory for employers and workers to use Dutch at their place of

work, in company acts and in documents.

To complete the bureaucratic picture it must be added that virtually the only unitary ministries in the Belgian Government are the Prime Minister's office, Finance and Defence. Almost all the rest are duplicated in French and Dutch, with French and Dutch Ministers. The Army is organised into Flemish and French units.

Credits for regional expenditure are distributed according to a highly controversial key

which relates to surface area (favouring Wallonia), population (favouring Flanders) and contribution to direct taxes had to move from a unitary (favouring Brussels). Flanders gets some 52 per cent, Wallonia some 38 per cent, and Brussels some 2 per cent. Altogether they should receive around 18 per cent. of central funds for regional distribution.

On the political front there are three Belgian political parties and three basically linguistic versions of federalism. The recent government is based on the Flemish, Catholic-based Social Christian party led by the Prime Minister, Mr. Leo Tindemans, a moderate and flexible Fleming whose years of government have done little to alter his preference for Antwerp over Brussels as a place to live. The Social Christians, who would be called Christian Democrats in Germany, took their stand in the dark days of their violence in 1950-51 for the return of the King to exercise his constitutional functions from an exile to which an ambivalent attitude to the Germans during World War II had consigned him.

Each region has its national party. The most powerful in terms of seats is the Flemish Volksunie, a conservative character, currently part of the opposition. Recent polls show this party gaining ground in Flanders at the expense of the Social Christians.

Brussels has its mix of national parties, but the crucial party at moment is the Walloon National party, Rassemblement Wallon. This group is a member of coalition and decides the fate of the Government's majority, stake in the Government of the first bridgehead of nationalist party in power, the fact that it is linked with a majority party of a Flemish complexion is one of the signs in the present situation. It has tended to be a jumpy in government and at times a fickle ally. At regional level, for example, has voted against its coalition partners in central Government. But this reflects a tension between the party members in the Government, who are sensible and hard working, and its titular chief who tend to sound off shrill wings.

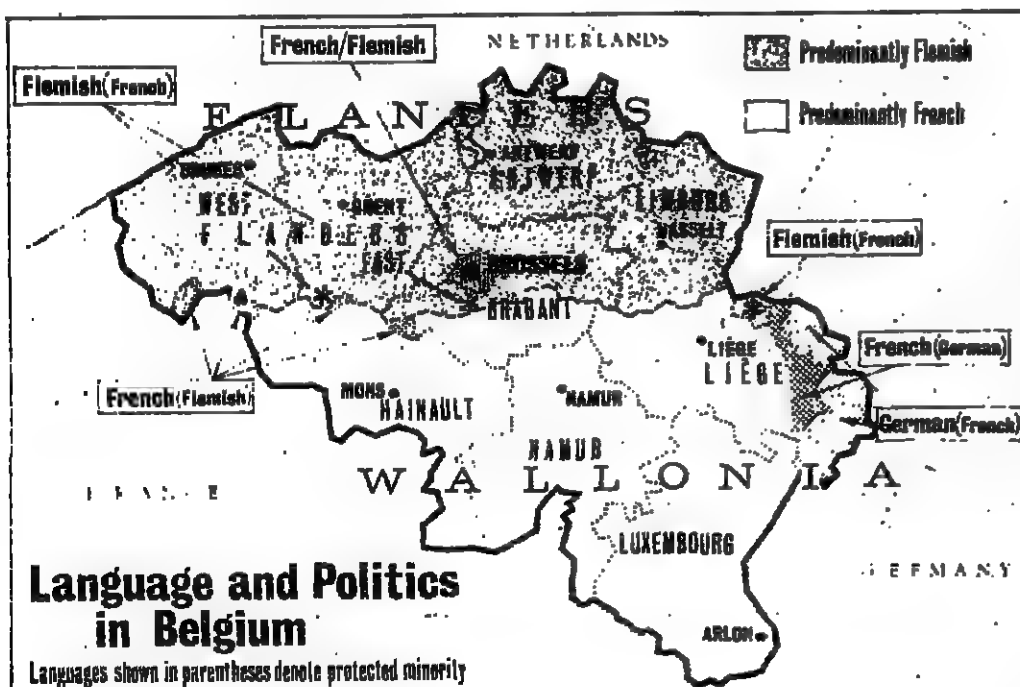
The party joined the Government on a promise by Mr. Tindemans to transfer to regionalisation. These attempts have failed to bear fruit because of inter-community disagreements on the moralities, resources, and boundaries, particularly of Brussels. The fact that can be hoped for on regionalisation front at moment, failing some meeting of minds, of these are periodic rumblings to be the devolved services and administration the regions.

Partner The coalition partner of the Social Christians is the Liberal Party (PLP), whose leading luminary is the Finance Minister, Mr. Willy de Clercq. Standing essentially for an open economy but, unlike the Social Christians, having only a very small union movement affiliated with it, this party stands to the right of the political spectrum. Both Liberals and Social Christians are divided into Flemish and Walloon wings.

The Socialist Party, the main opposition party, rhetorically likes to rouse its Marxist soul, but as for many years the party of Government its ardour has cooled into social democracy of a non-interventionist kind. Its roots are in Wallonia, and at the moment its politics are being strongly influenced by the demands of its 800,000 strong

David C.

Countryside unspoilt by heavy promotion



Language and Politics in Belgium

Languages shown in parentheses denote protected minority

ATTEMPTS TO promote tourism in Wallonia have by and large been a flop. The motorway which cuts across the top of the region is badly sited and little used. The Holiday Inn operation in one of the largest of the region's cities has had to close down, and there are few large hotels. When British people hear the words Ardennes and Bastogne, they tend to think of the Battle of the Bulge, brewed up tanks and burnt corpses.

British visitors to the region are outnumbered ten to one by those who go to the Belgian coast with its inexhaustible supplies of cups of tea and fish and chips.

Without wishing to be churlish towards the tourist promoters or the fish and chip merchants of Ostend, one can legitimately give thanks for all the foregoing, which has resulted in Wallonia remaining relatively undiscovered by the purveyors of mass tourism and therefore largely unspoiled.

Tourism in Wallonia is a quiet, individual occupation and virtually synonymous with stays in small, family run hotels, country walks, angling and good food.

The Ardennes, great rolling forest covered hills and valleys, well-watered and lightly populated, make up the greater part of Wallonia. They attract the lover of nature and of peace and quiet. They attract much income from the French speaking Brussels maintaining his country retreat and pull in Dutch campers from the cities of Holland seeking an escape from crowds and the sight of a hill.

Treasures

The Ardennes do not seek to leave the visitor breathless with the richness of their artistic treasures as the cities of Flanders do. Characteristically one of the largest tourist attractions in the Ardennes is not a cathedral or a museum but the Grottes de Han, a fantastical series of underground caverns laced with 1m. stalagmites and stalagmites through which plunges the River Lesse.

The towns and cities of the Ardennes are pleasant rather than impressive. Namur, Liège and Arlon, the capital of Belgian Luxembourg, are bustling marketing and shopping centres, the first two with a good deal of industry.

They will hardly detain the visitor long. Rather will the

tourist want to make his way out into the countryside and with the help of a good guide book seek his own inn, trout stream or part of the forest.

Though naturally expensive now in sterling terms, a wealth of good food awaits him, especially ham and trout, pate d'Ardennes and game from hare to wild boar.

A visit to the Ardennes is, one might say, the continental equivalent to a trip to Dorset or Devon.

The rest of Wallonia, outside the Ardennes, is less physically attractive but has more for the amateur historian or compulsive visitor of monuments. With the proper guide which means to my mind any of the various superb historical works of David Howarth, the battlefield of Waterloo, just south of Brussels, is an enthralling and moving site.

The battlefield itself is now

dominated by the Butte, a large artificial mound raised to commemorate the victory. While the view from the top provides a useful panorama of the whole site it is infinitely more thrilling to walk over the battlefield as it was, to view the farms of Hougomont and La Haye Sainte which cost so much blood on the day of Waterloo and to appreciate how every ridge and dip on the field affected the ebb and flow of the battle.

In recent years Waterloo has been refought on the diplomatic level. The museum by the British Butte, for long the only one on the site, gives a view of the action which seems strangely at variance with the facts and which gives the impression of the battle as one where the French came out on top, morally, if not militarily.

To-day, with the help of the Central Office of Information, living from Wellington's headquarters in

the village of Waterloo a mile or two north of the field has been made into a serious and well-laid-out historical centre, where less violence is done to historical accuracy.

Monuments

In the province of Hainaut, Tournai with its five-spined cathedral is one of the few towns of Wallonia whose architectural monuments can compare to those of Flanders, while Mons is a town whose historical associations for the British Army are combined with some very pleasant old buildings.

One of the not inconsiderable advantages that the touristically underdeveloped Wallonia can offer to the visitor over more highly developed Flanders is a lower degree of rapaciousness among those who make their living from the tourist.

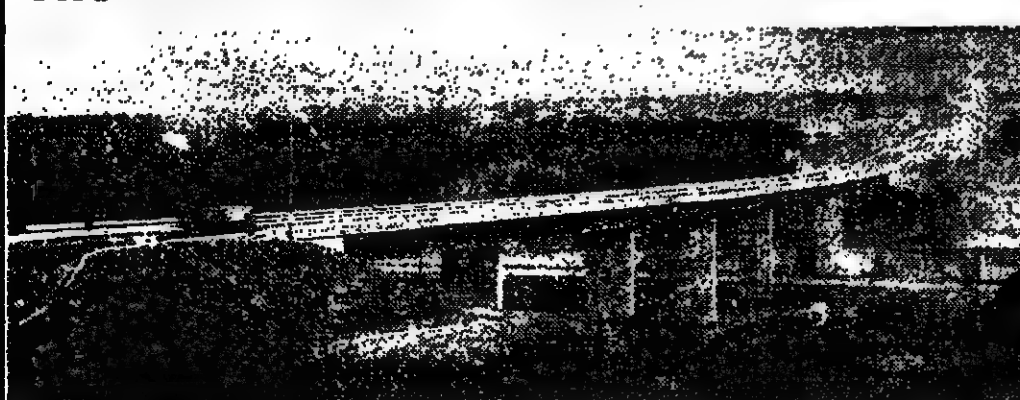
As one who still bears the

scars inflicted by great hoteliers of Ostend more than a decade ago and who are scarcely able to smile at the impudence of the saucer in unmaned public toilet, Brussels bearing the ubiquitous legend "Don't forget the more relaxed and the outlook of the Walloons, hotel trade is very welcome. It is true, of course, the universal Belgian desire to be a franc waverer and when possible suffused with a does Flanders, and it is true that they have installed rather sleazy café in the big and most beautiful corner.

But in the less compact and intensive atmosphere of Ardennes, the tourist seems to be welcomed nearly as much who he is as for the money brings.

Hugh O'Shaughnessy

The Beez viaduct at Namur on the E.40



This steel box-girder viaduct — 551m. long was awarded: The 1974 Prize from the Royal Association of Engineers (S.R.B.I.): The 1974 Design Award from the European Convention for constructional steelwork (E.C.C.S.).

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INCENTIVES AND TAXES

FINANCIAL FACILITIES

The Government may provide incentives either in the form of interest subsidies on investment loans or in the form of a capital premium to the extent that the investor's project is financed by the investor's own financial effort to the extent of 50 per cent. The investor can choose any acceptable bank or credit institution, Belgian or foreign. Incentives in the form of interest subsidies or their capital grants equivalent may be up to 15 per cent. of the value of the investment in development areas. Supplementary aid may also be granted up to 21 per cent. of the value. The Government can help with industrial research costs by granting interest-free loans, up to a maximum of 80 per cent. of total cost.

TAX RELIEF

(a) A five year exemption from property tax;
(b) Exemption of 2 per cent. capital registration fee;
(c) Permission to make twice the normal annual straight line depreciation for machinery, equipment and industrial buildings which have been acquired as a result of subsidised investments during three successive tax years.

Outside development areas only the first of these applies although local authorities usually have their own tax exemptions. FISCAL REGULATIONS FOR BELGIAN INCORPORATED COMPANIES The standard tax rate is 48 per cent. with income below B.Frs.1m. paying 33 per cent. and between that and B.Frs.3m. paying 40 per cent. Compensation for losses may be carried forward for five years and losses in the first five years of activity may be carried forward immediately in the case of companies set up since January 1972. The taxable base is interpreted as total income including undistributed profits, non-admitted expenses, dividends paid to shareholders of stock corporations or income from invested capital paid to partners, and fees, etc., paid to directors and auditors of stock corporations.

FISCAL REGULATIONS — SUBSIDIES

The taxation rate is 34 per cent. Foreign companies with industrial operations in Belgium are subject to non-resident taxation. A forfeiture taxable income based on turnover or payroll may be negotiated with the tax authorities. Headquarters can negotiate a lump sum taxation if they exist only to co-ordinate activities.

PERSONAL TAX LIABILITY

Foreign residents pay tax on all their private income. How for five or eight years some managers can benefit from a voluntary decrease in their taxable income of 30 per cent. annual salary up to B.Frs.1.5m. For workers in research and auditing or co-ordination offices this eight-year limit is extended indefinitely. For example, a man with a wife and children earning B.Frs.1m. gross taxable income and benefit from income tax relief in line with the above conditions will pay B.Frs.185,000 in tax in round figures against the B.Frs.350,000 a Belgian would pay. Income of B.Frs.1.5m. would mean B.Frs.350,000 tax for a foreigner (580,000 for a Belgian).

AID IN STAFF TRAINING

This is done through the Office National de l'Emploi.
(a) In-service training: subsidies up to 45 per cent. of the wages and social security contributions of the workers being trained depending on company's location;
(b) Overseas training: up to 50 per cent. of wages, social security travel and lodging expenses;
(c) Tutorial staff: up to 35 per cent. of salary and social security contributions of Belgian instructors working in factories and up to 50 per cent. of foreign instructors' pay, contributions, and board.

CAPITAL REPATRIATION

Foreign capital can enter and leave freely on the free market free market exchange rates. Movement of capital across official exchange can be done with permission of the B. Luxembourg Exchange Institute. Income and profits are repatriated without restriction via the official market and Institute can grant repatriation guarantees for foreign capital invested in manufacturing or long-term ventures.

INDUSTRIAL ZONES

Wallonia has 103 industrial zones served by road, rail and links. They are divided between Brabant (nearest to Brussels with around 300 hectares available, Hainaut (more than 1 hectare available), Liège (1,300), Luxembourg (170) and Namur (nearly 800).

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WALLONIA

a new awakening!

Wallonia—gateway to Europe

Wallonia is constantly reaffirming its key position at the centre of an ever-developing Europe. Few countries and few regions can offer, in so small an area, such a wealth of opportunity for all those who want to engage in business. With its abundant natural and human resources, and established infrastructure, Wallonia is like a hand stretching out to the heart of Europe and has everything to offer to the most demanding of modern industry. Wallonia is the land of exchanges: commercial, industrial, and technological exchanges, cultural exchanges and also, most importantly, of human exchanges—exchanges which take on the rhythm of life itself due to an up-to-date telecommunications network.

From time immemorial, industry and agriculture have adapted to the needs of successive generations.

This implies on the part of the Walloons, and of the democratic institutions that they have selected, an undiminished dynamism, a high level of productivity and an acknowledged enthusiasm for work, which are combined with a spirit of welcome, of liberty and of enterprise that are supported by favourable laws which govern the lives of an increasing number of non-Walloons.

The towns of Wallonia retain their humanity. The towns retain their deep tranquillity. The rivers remain unspoiled. Close to the heart, Wallonia is also close to everyday realities. It takes only a few minutes to reach Tokyo by telephone, an hour to reach London or Geneva by plane, two hours to reach Paris by train. An hour to reach Cologne by car.

At the pace of the Common Market

No other continent can boast quite the same vitality and activity as Europe. Open yesterday to repeated invasion, Wallonia is today the vital link in a Europe of 250 million consumers. Investments in the region come from every corner of Europe and travellers from every European country travel through it. Spanish lorries, semi-trailers from the Eastern countries, international express trains, barges from all countries follow each other, overtake, unload, load, and set off again towards other places which, whether near or far, are always easily accessible by all modern means of transport.

To adapt the region to both local and European economic conditions, a modern network of roads, railways and canals has been established, which is constantly being up-dated. Wallonia is thus able to play an increasingly preponderant role in the distribution of goods and services.

Motorways

Except when it is under construction, a motorway in Wallonia never ends up in the middle of nowhere! Each motorway crosses the region from one extremity to the other, from the east to the west, or from the north to the south, so as to link up with the motorway systems of the neighbouring countries.

Rotterdam, Antwerp, Dunkerque are all at a stone's throw from the Walloon industrial zones and from the large European cities. Their road-signs bear witness to this spirit of liberty and welcome: the letter E for Europe and white numerals on a green background.

Thus the Liège-Brussels section of the E5 motorway, coming from London, connects Cologne, Frankfurt and Vienna to the industrial area of Wallonia.

The E9 motorway, partially open, starts at Amsterdam, passes through the Liège basin and will shortly go on to Luxembourg, and thence to Strasbourg, Basel and Geneva.

The E10 motorway forms part of the trunk road between Paris and Amsterdam. Passing through Wallonia, this motorway puts the great industrial centres of Hainaut, Mons and Charleroi at one hour's drive from Antwerp, at two hours drive from Rotterdam, or from the industrial area of Northern France. Paris itself is only three hours away.

The E41 motorway, called the Walloon Motorway, connects the Ruhr to the industrial part of Wallonia, before arriving at Dunkerque-Calais. A deep-water port, the Pas-de-Calais region of Northern France, the industrial zones of Wallonia and the industrial zones of Rhine-Westphalia are all linked together by means of this ultra-fast highway.

The partially-open E40 motorway joins Brussels to Luxembourg. The A13 highway links Liège and Antwerp, and Liège to the German motorway network.

Finally, in order to improve still further the access of the Liège area to Germany and the rest of Europe, work has started on a new motorway, linking Verviers, Prüm and Frankfurt.

Railways

The Walloons were the European pioneers of rail transport and later practised their art throughout the world—in Mongolia, Asia, in Africa and in South America.

The rail network which covers Wallonia is one of the most dense in the world. The system also boasts some of the fastest and is electrified along its entire length and has an impressive safety record. Many industrial zones are served by rail-heads and sidings, which take the railway system to the heart of certain sectors. All types of rail transport converge on Wallonia and at the region in touch with the East of Europe, with the South of Spain or with the foot of Italy. There are international express trains, the TEE, ear-sleepers for holiday-makers; freight trains for the transportation of petroleum and other liquid products, cast-iron, cereals, etc.

Among the major lines which cross Wallonia are the lines between London-Ostend-Brussels-Namur-Luxembourg-Switzerland and the Balkan countries; the Brussels-Liège-Cologne line, which serves the East European countries, and Russia, and which places Scandinavia at a few hours from Liège; and the Paris-Charleroi-Namur-Liège-Cologne line. Other major lines are the line between Paris-Mons and Brussels (which puts Mons two hours from Paris by TEE); that between Amsterdam-Brussels-Liège-Luxembourg-Geneva, etc. . . .

Waterways and Ports

Wallonia combines two apparently contradictory characteristics: those of being at one and the same time continental and maritime. Continental by its central position in Europe, and maritime because of its closeness to such ports as Antwerp, Rotterdam, Dunkerque, Ghent and Zeebrugge.

Between these ports lie three natural waterways: the rivers Sambre, Meuse and Scheldt. These rivers are linked by a double circuit of canals, which also join up with the waterways of neighbouring France, Holland and Germany. These are the Albert Canal, the canal between Brussels and Charleroi, the Canal du Centre, and the Sambre-Stavelot-Péronne Canal. The waterway system thus effectively complements the road and rail systems.

Work is currently in hand to improve this infrastructure still further, including work on the Albert Canal which will allow the passage of large convoys of up to 9,000 tons as far as Liège, and will permit boats of 1,250 tons to go up the Meuse from Liège to Namur.

The liaison between Antwerp and Charleroi is modern and fast thanks to the ship incline of Ronquières.

Airports

All the major towns and industrial zones of Wallonia are less than an hour's drive along the motorway from Brussels National Airport.

Bierset airport, near Liège, and Gosselies airport, near Charleroi, are also equipped for passenger and freight traffic, while numerous small airfields cater for private and tourist aircraft. The airports of Luxembourg, Lille, Cologne and Aix-la-Chapelle are all close to the national frontiers. Schiphol and Roissy airports are also quite close, being two hours' drive along the motorway from most Walloon towns.

Two new daily Sabena flights to Wallonia (Monday to Friday):			
8.35	20.35	London (Heathrow)	8.35 19.55
—	21.45	Charleroi (Gosselies)	7.55 —
19.15	22.15	Liège (Bierset)	6.30 18.30

Telecommunications

The United States, Japan, Australia, the Virgin Isles, all the countries of Western Europe, and many others, are accessible in a few instants, by telephone, from any office in Wallonia. The completely automatic telephone system is one of the best in the world and many international calls are relayed by satellite, or submarine cable. The region's telecopier and telex systems are also automatic.

Energy for everyone

In line with the energy policy of the European Communities, Wallonia does everything possible to make available to industrialists established in the region cheap energy from multiple and safe sources.

Coal and coke are to be found in the area, and there is a large oil refinery at Feluy, linked by pipeline to Antwerp.

Conventional power stations feed power into the high tension grid system and a hydro-electric plant has been built at Coo. The Franco-Belgian nuclear plant at Chooz and that at Tihange, on the river Meuse, complete the electricity supply picture.

A large-diameter pipeline brings North Sea gas to most towns and industrial zones in the area.

Water supply is no problem in Wallonia. Most rivers offer abundant quantities of clean water.

Moreover, the public authorities follow an enlightened policy concerning the purification of water used by industry. Several large reservoirs have been built, and others are being studied, in order to safeguard this invaluable commodity.

The Walloons

The Walloons are 3 million men, women and children, who speak French with a different accent according to whether they come from Liège, Namur or Tournai. They remain attached to their work as they are attached to their town or village. Scarcely 35,000 work abroad out of a total active work-force of 1,100,000 people.

Walloons are above all hard-working, which, in modern economic terms, translates itself into one of the highest per capita productivity levels in Europe. The region provides top quality company directors, efficient management and highly-qualified workers.

Since the coal mines were closed down, the Walloons have learnt the virtues of change and re-cycling both at the regional and individual levels. They are a stable, traditional people, who dislike the great perturbations caused by too-brutal ideas. This is why Wallonia has a strike record that is amongst the best in the world.

This does not, however, prevent the Walloons from being welcoming and hospitable. Many international communities have found a refuge in Wallonia, and always a home and a human friendship that is acknowledged by all. Whoever comes to invest in Wallonia finds, therefore, above-average work conditions. The Walloons believe in free enterprise and in the free market economy. They recognize the virtue of sales. Above all, they know what exporting is all about, and are among the leading exporters in the world per inhabitant.

Their national companies, while not being large enough to qualify for a top place in "Fortune", are nonetheless dynamic enterprises with a worldwide reputation.

The hospitable Walloons

Throughout their history, hospitality has been a dominant quality of the Walloons. There have been no movements against foreigners and no discrimination. If NATO, the Commission of the European Economic Community and many multinational companies are head-quartered in Belgium's capital, Brussels, it is in Wallonia, near Mons, that SHAPE has established its home. It is in Wallonia, also, that numerous companies throughout the world have found industrial zones suited to their needs and a welcome strengthened by a series of favourable laws.

Any non-Belgian company is free to establish a subsidiary or branch in Belgium and no obligation is imposed as to the nationality of the capital or of the directors.

Moreover, the laws of 1959 and 1970 favour investors, whether their activities be industrial, commercial or in the field of service. This spirit of welcome is to be seen in the form of favourable interest terms (whereby a part of the interest charge is borne by the authorities), or by an equivalent cash subsidy—added to which are various other tax benefits (rates, stamp duty, etc.).

Favourable depreciation allowances are also made, and the laws are applicable to the expansion or modernization of existing firms as well as to new firms establishing themselves for the first time.

Non-Belgian management personnel likewise enjoy considerable benefits including reduced personal taxation for 5 or 8 years.

No restrictions are placed on the number of non-Belgians in the firm and capital and interest can be transferred to other countries without difficulty.

The banking system

The credit structure in Wallonia, as in Belgium, is divided between the private and public sectors. Among the companies in the mixed and public sectors there is the Caisse Générale d'Epargne et de Retraite, which undertakes industrial financing through the purchase of debentures or by discounting bills of exchange issued by the borrowing firms; the Crédit Communal de Belgique, which offers short, medium and long-term credit for direct investments or for investments resulting from the intervention of the province, commune or regional authorities; the Caisse Nationale de Crédit Professionnel, whose operations are best adapted to small and medium-sized firms; and finally, the Société Nationale de Crédit à l'Industrie, whose aim is to encourage the development of industry and commerce by granting long- and medium-term credits and, sometimes, short-term credits. In the private sector, references should, of course, be made to the private banks, with their agencies and branches and to the private savings banks which undertake banking operations and notably discounting. Banking can be carried out without restriction of nationality, and there are at the present time more than 20 foreign banks established in Belgium, not counting foreign participation in Belgian banks, and the 23 offices representing foreign banks.

The Walloons and the future

The economic, industrial and commercial development of Wallonia is characterized by a constant process of change, adaptation and renewal of its structures. In this way, the region strives to plan the transfer of its human, intellectual and financial resources towards the new types of production. It is with this objective in mind that the State Secretariat for Walloon Regional Economy is continuing to promote a process that has already started—that of sub-contracting at the European and world level. Apart from the large companies operating in the key sectors of the economy, Wallonia remains, and will become even more, one of the most favourable regions for the establishment of smaller companies needing a skilled work-force, competent management and specialized equipment. The region will attract a great number of those companies whose adaptability is great, especially as far as technical progress and innovation are concerned. It is noticeable that, in only a few years, Wallonia has passed from an economy dominated by coal towards a diversified economy encompassing pharmaceutical products, chemicals, machine-tools and precision machinery, electronics, etc. This diversification has brought with it the development of services, design offices and engineering companies, to name but a few.

Whatever the fundamental options that are dictated by future years, the public authorities of the region will remain open to all sound ideas and will lend their dynamism to the pursuit of an imaginative policy of industrial innovation.

In the town and in the country

Investing in a country other than one's own often means coming to live there oneself or at least spending considerable time there. Investing in another country probably means sending trusted colleagues, or even friends, there. They leave a family, customs, relations. . . . Although certainly different, Wallonia possesses that rare sensitivity which enables new arrivals to feel quickly at home. There is no language problem. At the super-market, as well as at the grocer's shop on the corner, multi-lingualism becomes, by the force of events, second nature. In Wallonia, people pass from a local dialect to English or German with the same facility as from French to Spanish. The authorities are noted for an almost complete absence of "red tape."

There is no housing problem. In the town centre, or on the outskirts, everyone can find accommodation suited to his needs, his tastes, his income, his family. Ultra-modern apartment, single family houses, villas of all sizes, with average or luxurious standards of comfort are all available.

Like towns the world over, towns in Wallonia are expanding, but in a controlled way. Close to the countryside, they remain human and proud of their past; whose relics are preserved as far as possible. The forests still arrive at their door-step, and there is room to breathe.

The Walloons not only like to work, but also to laugh, to sing and to wine and dine. The Walloon carnivals, Stavelot, Binche, etc. . . . are as celebrated as their German counterparts. Walloon folklore remains young, vital and short, even in this modern age. The cooking in Wallonia is every bit as good as French cuisine, and the two are very closely related. Being able to distinguish the given from the other adds appreciably to the pleasure of discovering a good restaurant in a small village not far from a motorway.

Wallonia is also a sporting paradise. Cycling, "boule" ball, pelote (which non-Walloons watch in amazement), golf, tennis, everyone.

squash, sailing and horse-riding are all practised almost everywhere. The clubs are sometimes fashionable, sometimes just "sympathique." In summer, week-ends, can be spent at the never very distant North Sea resorts, or in the Ardennes. In autumn and in winter, the Ardennes really come into their own, with superb walks, hunting and skiing.

The arts in all their forms, from the most popular to the most classical, are there in profusion to add to the quality of life.

There are orchestral concerts, chamber music, folk and pop music, the theatre, ballet and lavish festivals—only the choice is difficult. In the town and in the countryside, there is always a bar close at hand where one can have a drink with friends, or dance for an hour, or for an evening.

The Walloons and research

Innovation and technology are the key words in Wallonia for tomorrow's world. These two words rest on the same necessity—research.

Private companies and universities are already working on common programmes. Sometimes these programmes are financed by private companies, sometimes they are supported by the State. In order to spur innovation and technical development, an Office of Industrial Promotion has been established. One of the aims of this Office is to encourage firms to diversify their production and the Office is structured in such a way that exchanges between the public authorities, on the one hand, and the research centres and investors, on the other, are facilitated.

The research programmes touch many sectors and cover the needs of tomorrow as well as the needs of today—medicine, protection of the environment, new sources of energy, agronomic science, etc. . . .

In these different fields, several Walloon university establishments have won an international reputation, including the State Universities of Liège and Mons, the State faculties of agronomic science at Gembloux, the Catholic University of Louvain-la-Neuve. Mention should also be made of the research efforts of the large, or less large, companies, as well as those of the institutes financed by the major industrial federations.

A broad-based education system

One of the first things that a visitor to Wallonia notices is the multiplicity of schools, technical colleges and universities which are open to people of all ages. The open university and re-training courses are now part of the everyday scene. These have already enabled a large number of technicians and management personnel to update their theoretical and practical knowledge.

The classical education system has always included numerous evening courses which have enabled thousands of qualified workmen to become technicians and, sometimes, even engineers. At university level, as well as at technical and professional levels, the colleges work in close collaboration with private companies so as to equate as far as possible the demand for, and the supply of, skilled workers. Such collaboration makes possible the successful training of highly competent, multi-lingual personnel fully able to respond to the specific needs of new industries.

In order to accomplish certain more precise objectives, the public authorities are often able to give help to employers. Special training, and advanced training, centres have been set up and the State pays part of the costs of the training, including training periods abroad.

These centres operate with the assistance of private companies and of the National Employment Office, and are complemented by regional recruitment offices, which serve both industrial and commercial firms.

Investing in Wallonia

To invest in Wallonia is to find oneself at the heart of a Europe of 250 million privileged consumers, who enjoy a high standard of living.

It is to establish oneself at the very centre of a highly industrialized, but natural and human, region, that is surrounded by economically strong neighbours: Flanders, the North of France, the Paris basin, the Meuse-Rhine delta in the Low Countries, Lorraine, the Rhineland, Switzerland.

To invest in Wallonia is to find new opportunities and to be in touch with the world due to the close proximity of sea and airports.

It is to profit from a modern, and constantly improved, infrastructure, that has been adapted to the physical needs of distributing goods and of moving people to meet present-day economic conditions.

To invest in Wallonia is to take advantage of a young, qualified, stable and highly productive work-force, of accessible sites and of well-equipped industrial zones.

It is to be certain of finding appreciable aid from the national, regional and local public authorities—aid which has already been given to more than 4,000 non-Walloon companies which have established operations in the region between 1959 and 1974.

To invest in Wallonia is to have plentiful and diversified energy sources, water in abundance and a life-style to suit everyone.

STOCK EXCHANGE REPORT

Gilts good, and equities firm despite ICI 'rights' talk

Share index advances 1.7 to 417.2 - RHM disappoint

Account Dealing Dates

First Declare Last Account
Dealing Date
May 3 May 13 May 25
May 17 May 27 May 31
Jun. 1 Jun. 11 Jun. 23

* New time "dealings may take place from 9.30 a.m. two business days earlier.

Imperial Chemical Industries and British Funds provided the two main features in stock markets yesterday. Actively traded during official dealings between extremes of 332p and 396p on strengthening rumours that a "rights" issue would be announced today, ICI moved up on a flurry of demand in the after-hours trading to end 6 higher on balance at 400p.

Continued firmness in sterling which followed news that the Transport and General Workers' Union had accepted the TUC Government pay policy helped the gilt-edged sector again. Gains throughout the list extended to 1 and more and the Government Securities index moved up 0.28 to 63.71 for a rise of 1.61 over the last five trading days. The index now stands 1.50 off its peak for the year reached on January 30 last. Apart from ICI, little interest was being shown in the equity leaders, but firmness in gilt-edged helped underlying sentiment and small closing gains were reflected in a rise of 1.7 to 417.2 in the FT 30-share index.

Secondary issues also passed another quiet session, but a few features emerged on company trading statements and bid situations. Overall, rises were in a majority of 3-to-2 in quoted industrials, while the FT Actuaries Index hardened 0.1 per cent to 170.60. There was a slight increase in official markings of 3.270 compared with 4.933 on Monday.

Gilts look confident

Demand broadened again in British Funds and the market was

looking confident, a view based on strengthening hopes of lower interest rates coupled with the recently improved tendency in sterling. All maturities shared in the buying but the long "tap" Treasury 12 1/2 per cent, 1983, "A", was easily the centrepiece as the Government broker twice raised, by 1, his selling price for supplies of the stock, leaving the market at 95 1/2. At the shorter end, the "tap" Treasury 9 1/2 per cent, 1981, reached the price at which the GB was last operational and he could well be tested to-day. Reactionary movements were sharply limited, the close being the day's highest with gains ranging to 1/4 in the shorts and to 1/2 in the longs. Corporations followed, rising a full point in places.

Again quiet for most of the day, the investment currency market came a little more interesting late when revised demand countered institutional selling to bring a closing premium of 122 1/2 per cent, up 1 on the overnight. Yesterday's SE conversion factor was 0.6374 (0.6396).

Brentnall Beard up

Flynn Brothers were again in firm fettle, although business was rather thin. Brentnall Beard followed, rising 8 to 106p, after 107p, while Fogg Robinson put on 3 more to 112p for a rise of 1 1/2. Distillers gained 3 to 154p. Most of the interest in Buildings centred on R. Costain, which improved 9 to 250p, after 240p, on the better-than-expected preliminary figures and scrip issue proposal. Sabah Timber ended a penny harder at 31p following its preliminary results, while Burnett and Halliwell, 60p, and Heywood Williams, 31p, put on 3 apiece. Shellbear Price, on the other hand, gave up two more to 38p on further consideration of the results.

ICI became an erratic market yesterday as investors took up their positions ahead of the much

rumoured "rights" issue proposal, expected to be announced to-day after trading between 332p and 396p for most of the day. The shares met late demand and closed 6 better on balance at 400p. Elsewhere, Crystalline responded to the interim report with a penny rise to 131p.

Television issues were easier for choice, HTV and Ulster, both finishing a penny cheaper at 70p and 47p respectively.

Thos. Marshall up

Thomas Marshall Investments featured Stores, rising 7 to 50p on the agreed bid terms from William Baird (2 harder at 103p). NSS Newsagents closed a penny softer at 39p on the increased interim dividend and profits. Core Sports-wear contrasted with a fall of 3 to 19p. Although looking better in the late trade, the leaders closed little-changed on previous overnight levels. Marks and Spencer were typical, closing without alteration at 98p, after 98p.

Business remained at a low ebb in the Electrical leaders, although Reynolds Parsons, 135p, and BICC 124p, secured gains of 4 apiece, while Philips put on 2 to 102p. Ultra Electronic put on 3 to 35p, while A.B. Electronics hardened 2 to 124p. The old improved 2 to 102p. Distillers gained 3 to 154p. Most of the interest in Buildings centred on R. Costain, which improved 9 to 250p, after 240p, on the better-than-expected preliminary figures and scrip issue proposal. Sabah Timber ended a penny harder at 31p following its preliminary results, while Burnett and Halliwell, 60p, and Heywood Williams, 31p, put on 3 apiece. Shellbear Price, on the other hand, gave up two more to 38p on further consideration of the results.

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ICI became an erratic market yesterday as investors took up their positions ahead of the much

FINANCIAL TIMES STOCK INDICES

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Government Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Interest	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Industrial Ordinary	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0
Ord. Div. Yield	5.07	5.09	5.08	5.08	5.08	5.08	5.08	5.08	5.08
Earnings '76 ('75)	14.71	14.84	14.98	14.98	14.98	14.98	14.98	14.98	14.98
P/E Ratio (net) (a)	10.08	10.00	10.00	10.10	10.07	9.97	9.87	9.77	9.67
Dividends marked	5.870	4.932	4.693	4.709	4.671	4.646	4.621	4.596	4.571
Equity turnover '76	—	44.82	56.70	68.75	66.27	65.28	64.29	63.30	62.31
Equity turnover total	—	13.595	13.184	14.208	14.744	14.300	13.852	13.404	12.956

30 a.m. 417.4 11 a.m. 417.2 Noon 417.3 1 p.m. 417.3

1) Based on 27 per cent. corporate tax. 2) N2: 16.82. 3) Based on 27 per cent. corporate tax. 4) N2: 16.82. 5) Based on 27 per cent. corporate tax. 6) N2: 16.82.

HIGHS AND LOWS

	High	Low	High	Low	High	Low	High	Low	High	Low
Govt. Sec.	63.71	63.10	63.43	62.81	63.07	62.45	62.88	62.26	62.67	62.05
Fixed Int.	63.10	62.10	62.81	61.88	62.45	61.48	62.26	61.26	62.05	61.04
Ind. Ord.	417.3	402.8	415.6	400.2	413.2	395.4	411.9	392.8	410.6	390.2
Gold Mines	198.0	181.0	196.5	176.0	194.0	176.0	192.5	176.0	191.0	176.0

S.E. ACTIVITY

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

GILTS AND BONDS

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

EQUITIES

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

M-WAY SECTION

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

BASE LENDING

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

NEW HIGHS AND LOWS FOR 1976

	High	Low	High	Low	High	Low	High	Low	High	Low
Govt. Sec.	63.71	63.10	63.43	62.81	63.07	62.45	62.88	62.26	62.67	62.05
Fixed Int.	63.10	62.10	62.81	61.88	62.45	61.48	62.26	61.26	62.05	61.04
Ind. Ord.	417.3	402.8	415.6	400.2	413.2	395.4	411.9	392.8	410.6	390.2
Gold Mines	198.0	181.0	196.5	176.0	194.0	176.0	192.5	176.0	191.0	176.0

OPTION DEALING DATES

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

MONEY MARKET

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

INTEREST RATES EASIER

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

CORAL INDEX

	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3
Govt. Sec.	63.71	63.43	63.07	62.88	62.67	62.10	61.88	61.66	61.44
Fixed Int.	63.10	62.81	62.45	62.26	62.05	61.48	61.26	61.04	60.82
Ind. Ord.	417.3	415.6	413.2	411.9	410.6	408.0	405.4	402.8	400.2
Gold Mines	198.0	196.5	194.0	192.5	191.0	188.5	186.0	183.5	181.0

INSURANCE RATES

E. S. Schwab	1
Security Trust Co. Ltd.	1
Shenley Trust	1
Standard Chartered	1
Trade Development Bk.	1
Twentieth Century Bk.	1
United Bank of Kuwait	1
Whiteaway Laidlaw	1
Williams & Glyn's	1

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE. PROPERTY. BONDS

[illegible]

F. & J. H. BRAIME (HOLDINGS) LIMITED

(Sheet Metal Pressings, Officars and Elevator Buckets)
The Twenty-fourth Annual General Meeting of T. F. & J. H. Hine (Holdings) Ltd. was held in Leeds yesterday. The Chairman, Mr. R. H. Bruns, M.A., presided and the following is an extract from his circulated statement:—

In spite of the recession and the considerable downturn in many of our customers' requirements, I am pleased to state a total profit for the year of £148,105 (1974-£150,419). Group turnover was £1,288,025 (1974-£1,664,830).

It is our intention to continue with the plant modernisation programme and a substantial sum will be spent during 1976 on the object of ensuring that we are in a position to take full advantage of any up-turn in trade.

Whilst there is still some hesitancy on the part of many of our customers to commit themselves very far ahead, nevertheless, the output for the early months of the new Trading is being maintained at the 1975 level.

A final dividend of 9.15% (2.288 pence-per share) making (3.250 pence per share) for the year was approved. (1974-75 or 3 pence per share.)

Since the year end Mr. O. Nicholas A. Braime, my youngest son, has been elected to the Board.

The Report and Accounts were adopted. Mr. O. Nicholas Braime's election to the Board was confirmed and Mr. A. D. Jones was re-elected.

**We've got something
in store for your
Warehouse Manager**

By seeing it every day he'll both broaden his zones with our storehouse of business information and have up-to-the-minute information on developments in his own field.

**In these competitive times
everyone in business needs
the Financial Times**

VEST IN 50,000 BETTER TOMORROWS!!

0 people in the United Kingdom suffer from progressively
ysing MULTIPLE SCLEROSIS — the cause and cure of
s are still unknown — HELP US BRING THEM RELIEF
HOPE.

eed your donation to enable us to continue our work
he CARE and WELFARE OF MULTIPLE SCLEROSIS
rers and to continue our commitment to find the cause
ure of MULTIPLE SCLEROSIS through MEDICAL
ARCH

Please help—Send a donation today to:
Room F.I.,
The Multiple Sclerosis Society of G.B. and N.I.,
4 Tachbrook Street,
London SW1 1SJ.

Abbey Life Assurance Co. Ltd.			The City of Westminster Assurance Soc.			Windsor Life Assurance Limited			Life & Equity Assurance			Oaklife Assurance Ltd.			Scott, Widows' Fund & Life Assn. Soc.			
1-8, Piers Churchyard, E.C.4.	01-298111		Ringwood House, 6 Whitehorse Road, Croydon, CRO14A	01-294084		7 Hambro Place, London, W1	01-480 0021		1 Olympic Way, Wembley, HA9 0NS	01-292 8878		45, Windsor Road, Slough, Tel. 23818	01-292 8878		St. Andrew's Soc., Edinburgh EC2 2YD	01-292 8878		
Equity Fund	20.4	20.4				Approved Act. Fd.	11.2	11.2	Sel. Inv.	20.4	20.4	Phoenix Assn. Fd.	127.3	124.3		Slater Walker	235.2	235.2
Profit Share	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Property Fd.	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	235.2
Widow's Fund	20.4	20.4				Widow's Fund	20.4	20.4	Sec. Inv.	20.4	20.4	Orbit Assn. Fd.	127.3	124.3		St. Mary's	235.2	23

OFFSHORE AND OVERSEAS FUNDS

[illegible]

OTES

include 3 premium, where
 price unless otherwise
 shown in last column allow
 10¢. a Offered price
 b Today's price c Yield
 d Estimated e Today's
 distribution free of U.K. taxes.
 f Includes all expenses except
 g Offered price includes
 right through managers.
 h Net of tax on realized
 i Net of tax on realized
 j Single Premium

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FT SHARE INFORMATION SERVICE

HOTELS—Continued

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Hotel de Ville	100	0.13	1.3	0.13	1.3
100	98	Hotel de Ville	100	0.13	1.3	0.13	1.3
100	98	Hotel de Ville	100	0.13	1.3	0.13	1.3
100	98	Hotel de Ville	100	0.13	1.3	0.13	1.3
100	98	Hotel de Ville	100	0.13	1.3	0.13	1.3

INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	AA&A	100	0.13	1.3	0.13	1.3
100	98	AA&A	100	0.13	1.3	0.13	1.3
100	98	AA&A	100	0.13	1.3	0.13	1.3
100	98	AA&A	100	0.13	1.3	0.13	1.3
100	98	AA&A	100	0.13	1.3	0.13	1.3

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Adams Foods	100	0.13	1.3	0.13	1.3
100	98	Adams Foods	100	0.13	1.3	0.13	1.3
100	98	Adams Foods	100	0.13	1.3	0.13	1.3
100	98	Adams Foods	100	0.13	1.3	0.13	1.3
100	98	Adams Foods	100	0.13	1.3	0.13	1.3

ENGINEERING—Continued

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	High Tech	100	0.13	1.3	0.13	1.3
100	98	High Tech	100	0.13	1.3	0.13	1.3
100	98	High Tech	100	0.13	1.3	0.13	1.3
100	98	High Tech	100	0.13	1.3	0.13	1.3
100	98	High Tech	100	0.13	1.3	0.13	1.3

DRAPERY AND STORES—Continued

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3

BUILDING INDUSTRY—Continued

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Builders	100	0.13	1.3	0.13	1.3
100	98	Builders	100	0.13	1.3	0.13	1.3
100	98	Builders	100	0.13	1.3	0.13	1.3
100	98	Builders	100	0.13	1.3	0.13	1.3
100	98	Builders	100	0.13	1.3	0.13	1.3

CANADIANS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Canada	100	0.13	1.3	0.13	1.3
100	98	Canada	100	0.13	1.3	0.13	1.3
100	98	Canada	100	0.13	1.3	0.13	1.3
100	98	Canada	100	0.13	1.3	0.13	1.3
100	98	Canada	100	0.13	1.3	0.13	1.3

BRITISH FUNDS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	British	100	0.13	1.3	0.13	1.3
100	98	British	100	0.13	1.3	0.13	1.3
100	98	British	100	0.13	1.3	0.13	1.3
100	98	British	100	0.13	1.3	0.13	1.3
100	98	British	100	0.13	1.3	0.13	1.3

Five to Fifteen Years

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Five to Fifteen	100	0.13	1.3	0.13	1.3
100	98	Five to Fifteen	100	0.13	1.3	0.13	1.3
100	98	Five to Fifteen	100	0.13	1.3	0.13	1.3
100	98	Five to Fifteen	100	0.13	1.3	0.13	1.3
100	98	Five to Fifteen	100	0.13	1.3	0.13	1.3

Over Fifteen Years

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Over Fifteen	100	0.13	1.3	0.13	1.3
100	98	Over Fifteen	100	0.13	1.3	0.13	1.3
100	98	Over Fifteen	100	0.13	1.3	0.13	1.3
100	98	Over Fifteen	100	0.13	1.3	0.13	1.3
100	98	Over Fifteen	100	0.13	1.3	0.13	1.3

INTERNATIONAL BANK

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Intl Bank	100	0.13	1.3	0.13	1.3
100	98	Intl Bank	100	0.13	1.3	0.13	1.3
100	98	Intl Bank	100	0.13	1.3	0.13	1.3
100	98	Intl Bank	100	0.13	1.3	0.13	1.3
100	98	Intl Bank	100	0.13	1.3	0.13	1.3

CORPORATION BONDS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Corp Bonds	100	0.13	1.3	0.13	1.3
100	98	Corp Bonds	100	0.13	1.3	0.13	1.3
100	98	Corp Bonds	100	0.13	1.3	0.13	1.3
100	98	Corp Bonds	100	0.13	1.3	0.13	1.3
100	98	Corp Bonds	100	0.13	1.3	0.13	1.3

COMMONWEALTH & AFRICAN BONDS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Comm & Afr	100	0.13	1.3	0.13	1.3
100	98	Comm & Afr	100	0.13	1.3	0.13	1.3
100	98	Comm & Afr	100	0.13	1.3	0.13	1.3
100	98	Comm & Afr	100	0.13	1.3	0.13	1.3
100	98	Comm & Afr	100	0.13	1.3	0.13	1.3

LOANS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Loans	100	0.13	1.3	0.13	1.3
100	98	Loans	100	0.13	1.3	0.13	1.3
100	98	Loans	100	0.13	1.3	0.13	1.3
100	98	Loans	100	0.13	1.3	0.13	1.3
100	98	Loans	100	0.13	1.3	0.13	1.3

FOREIGN BONDS & RAILS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Foreign	100	0.13	1.3	0.13	1.3
100	98	Foreign	100	0.13	1.3	0.13	1.3
100	98	Foreign	100	0.13	1.3	0.13	1.3
100	98	Foreign	100	0.13	1.3	0.13	1.3
100	98	Foreign	100	0.13	1.3	0.13	1.3

BUILDING INDUSTRY, TIMBER & ROADS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Build Ind	100	0.13	1.3	0.13	1.3
100	98	Build Ind	100	0.13	1.3	0.13	1.3
100	98	Build Ind	100	0.13	1.3	0.13	1.3
100	98	Build Ind	100	0.13	1.3	0.13	1.3
100	98	Build Ind	100	0.13	1.3	0.13	1.3

DRAPERY AND STORES

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3
100	98	Draperies	100	0.13	1.3	0.13	1.3

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Cinema	100	0.13	1.3	0.13	1.3
100	98	Cinema	100	0.13	1.3	0.13	1.3
100	98	Cinema	100	0.13	1.3	0.13	1.3
100	98	Cinema	100	0.13	1.3	0.13	1.3
100	98	Cinema	100	0.13	1.3	0.13	1.3

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Eng & Mach	100	0.13	1.3	0.13	1.3
100	98	Eng & Mach	100	0.13	1.3	0.13	1.3
100	98	Eng & Mach	100	0.13	1.3	0.13	1.3
100	98	Eng & Mach	100	0.13	1.3	0.13	1.3
100	98	Eng & Mach	100	0.13	1.3	0.13	1.3

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Food	100	0.13	1.3	0.13	1.3
100	98	Food	100	0.13	1.3	0.13	1.3
100	98	Food	100	0.13	1.3	0.13	1.3
100	98	Food	100	0.13	1.3	0.13	1.3
100	98	Food	100	0.13	1.3	0.13	1.3

INDUSTRIALS (Misc.)

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Indust	100	0.13	1.3	0.13	1.3
100	98	Indust	100	0.13	1.3	0.13	1.3
100	98	Indust	100	0.13	1.3	0.13	1.3
100	98	Indust	100	0.13	1.3	0.13	1.3
100	98	Indust	100	0.13	1.3	0.13	1.3

HOTELS AND CATERERS

High	Low	Stock	Price	Yield	Div	Yield	Div
100	98	Hotels	100	0.13	1.3	0.13	1.3
100	98	Hotels	100	0.13	1.3	0.13	1.3
100	98	Hotels	100	0.13	1.3	0.13	1.3
100	98	Hotels	100	0.13	1.3	0.13	1.3
100	98	Hotels	100	0.13	1.3	0.13	1.3

Conversion factor 0.0374 (0.0386)

مكتبة الأمل

TRUSTS—Continued

2. *Inflection* *Inflection* is the change in the form of a word to show its grammatical function in a sentence. *Inflection* is the change in the form of a word to show its grammatical function in a sentence. *Inflection* is the change in the form of a word to show its grammatical function in a sentence.

"Recent Issues" and "Rights" Page 27

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Iran may barter oil for U.S. aircraft

BY JAY PALMER

AT LEAST three of the U.S. largest aviation defence contractors are holding talks with the Government of Iran which could ultimately result in a barter of sophisticated military aircraft for oil.

General Dynamics, Northrop and Boeing all confirmed today that they were holding separate preliminary negotiations with the Iranians, but emphasised that a swap of aircraft for oil was only one of several payment methods being considered.

Helicopters

At least three other U.S. military suppliers may also be talking with Iran. There is speculation that Iran would like to acquire a long list of military hardware — including ground attack helicopters, tanks and high-speed coastal patrol boats — all in exchange for oil.

The three aircraft makers said the talks were started several weeks ago and had been initiated at the request of the Iranians.

The U.S. Government, although kept fully informed, has apparently not yet become directly involved in the discussions.

This is being taken to suggest that the arms "sale" has already been at least unofficially approved by Washington.

Mr. Frank Zarb, the U.S. federal security administrator, speaking in Tehran at the week-end disclosed that talks were going on about bartering Iranian oil for an undisclosed amount and type of U.S. goods.

While the three companies refused to discuss the size of the potential deal, saying that talks were still at a very preliminary stage, it is believed to exceed \$30m.

Iranian officials in Washington would not say if any order would be placed with a single company or spread among all three.

The suggestion in New York is that Iran is particularly interested in acquiring as many as 300 of General Dynamics' F-16 lightweight fighters, as well as

200 or more land-based versions of Northrop's F-18 naval fighter. Some of Boeing's very expensive airborne warning and control aircraft might also be bought.

It is understood that the aircraft makers have not yet held talks with oil companies about the disposal of any oil acquired under such a deal.

Discount
However, since the oil majors would probably be willing to buy such oil only at a discount to the posted price equal to their existing "contract fees" with producing countries, it is thought that resale arrangements would be confined to the small independent oil brokers.

The Iran Government has already bought military equipment worth more than \$100m from the U.S. since 1972. Suggestions that it might be seeking a barter now tie in with reports that a deficit of more than \$20m is forecast for this year in the Iranian Budget.

Government may make changes in Price Code

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

LEADERS of the Confederation of British Industry and the Retail Consortium left their meetings yesterday with Mrs. Shirley Williams, Prices Secretary, with the impression that the Government was prepared to consider important changes to the Price Code in the summer.

A clearer picture of Mrs. Williams' intentions is expected next week. She has told the CBI that she will try to produce a broad outline of her policy in time for the confederation's council meeting a week today.

Among changes being considered by the Department of Prices are thought to be an improvement in the present investment relief scheme and the existing profit safeguards, crude provisions for inflation accounting and a reduction in the present productivity deduction which prevents companies passing on more than 50 per cent of their increased labour costs in higher prices.

Sympathetic

Mrs. Williams also is believed to be sympathetic to industry's arguments that the code removes incentive to efficiency by preventing companies retaining in higher profits the benefits arising from increased efficiency.

She is thought to be looking for some way of overcoming this problem while working within the existing framework of controls. She may also agree to some small increase on retailers' gross profit margin ceilings.

Yesterday, Mrs. Williams again rejected industry's demands to drop all other aspects of the code except net profit margin controls. But there was considerable technical agreement between the Minister and CBI representatives over how the existing provisions could be eased if the Government wanted to take full advantage of all the avenues of relaxation open to it.

The Minister who was meeting the Retail Consortium and the CBI for the first time since the Chancellor's statement on Wednesday that cost and profit controls were to remain for the duration of the new pay package, indicated that she understood the problems the code was causing and that the Government was considering applying a modified form of some of the proposals put forward by the CBI. But she did not give clear indications.

Yesterday's meetings began with the CBI and the consortium reiterating their proposals for concentrating controls exclusively on modified net margin ceilings. For manufacturers, such a change would mean they would have to justify individual price rises to the Price Commission on the grounds of increased costs and for retailers it would mean an end to control on gross profit margins.

Mrs. Williams explained that such a change was not possible but agreed that most of the CBI's proposals to how to modify the present system of controls on net profits could equally well be applied to the system of calculating price rises.

NEW YORK, May 11.

THE CHAIRMAN of Marathon Manufacturing of Houston, the U.S. company building oil rigs at the old Upper Clyde Shipbuilders yard, Scotland, told shareholders today that the company would have to cut employment in the yard unless it could negotiate new orders in the next four months.

Mr. Gene Woodfin, chairman was questioned about the prospects for the year, after he had disclosed that the company had not operated profitably last year in the first quarter of this year.

He said that the operation had only broken even during these trading periods. The company's Upper Clyde business is now operating below capacity and will be only scheduled for delivery towards the end of the summer and the other at the end of the year.

The company said that it was trying to negotiate new orders.

The market for new rigs was depressed and the cuts in employment would begin at the time of the delivery of the first rig in the late summer unless new orders were settled.

Marathon would take on new orders only if it expected them to be profitable. The company was unable to say whether it had met British Government officials to discuss the outlook for the yard recently, which was having regular meetings with Industry Department officials.

Weather

U.K. TO-DAY
Cloudy. Some rain, sunny spells.
London area, S.E., S.W. Cent. S. England, E. Anglia, Channel Islands, Wales.
Mostly cloudy. Outbreaks of rain. Wind V. fresh. Rather cold. Max. 13C (55F).
Midlands, E., N.W. Cent. N. England, N. Wales.
Mainly dry. Bright intervals.

BUSINESS CENTRES
V-day Mid-day V-day
Alexandria C 28 54 Madrid F 19 66
Athens S 21 61 Moscow F 19 66
Barcelona S 23 73 Melbourne C 22 73
Beirut S 23 73 Mexico C 22 73
Belfast C 13 55 Montreal C 20 68
Belgrade F 12 58 Moscow F 19 66
Bern S 21 61 New York F 19 66
Brussels S 21 61 Paris F 19 66
Cairo S 22 73 Perth C 20 68
Canton S 21 61 Prague F 19 66
Cebu S 21 61 Rio de J. S 21 61
Colon S 21 61 Rome S 21 61
Copenhagen S 21 61 St. Louis S 21 61
Edinburgh S 21 61 Stockholm S 21 61
Frankfurt S 21 61 Surabaya S 21 61
Geneva S 21 61 Taipei S 21 61
Glasgow S 21 61 Tel Aviv S 21 61
Hong Kong S 21 61 Tokyo S 21 61
Johannesburg S 21 61 Vienna S 21 61
London F 13 55 Warsaw S 21 61
Luxembourg S 21 61 Zurich S 21 61

HOLIDAY RESORTS
V-day Mid-day V-day
Aachen S 21 61 Jersey F 19 66
Algiers S 21 61 Las Palmas C 19 66
Amsterdam S 21 61 London C 22 73
Antwerp S 21 61 Madrid C 22 73
Barcelona S 21 61 Majorca C 19 66
Birmingham S 21 61 Milan C 22 73
Bordeaux S 21 61 Naples F 19 66
Bristol S 21 61 Nice S 21 61
Buenos Aires S 21 61 Palermo S 21 61
Cardiff S 21 61 Paris F 19 66
Casablanca S 21 61 Rome S 21 61
Cape Town S 21 61 St. Petersburg S 21 61
Cebu S 21 61 Sydney S 21 61
Düsseldorf S 21 61 Taipei S 21 61
Edinburgh S 21 61 Tel Aviv S 21 61
Frankfurt S 21 61 Tokyo S 21 61
Geneva S 21 61 Vienna S 21 61
Glasgow S 21 61 Zurich S 21 61

Lighting-up: London 21.10, Manchester 21.30, Glasgow 21.50, Belfast 21.52.

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Fresh light on the Cavenham deal

Original impressions of

Cavenham's proposed offer for the outstanding minority in Générale Alimentaire will have to be revised following publication of all the details. The deal is now being presented almost in the shape of a rights issue — indeed Cavenham will be allowed to raise its dividend for 1976-77 by just over a quarter if it all goes through. And the prime reason for thinking that the terms are reasonable, according to Samuel Montagu, is "the availability of GA's cash resources towards meeting Cavenham's overseas debt obligations."

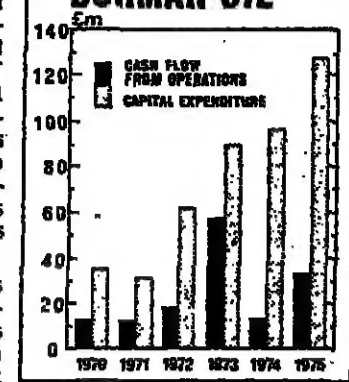
This may seem odd, since GA's last balance sheet looked distinctly undercapitalised whereas Cavenham's appeared to be flush with cash. However GA's recent string of disposals has realised £13.2m, cash, which could rise to around £35m if other planned sales go through. On the other hand, most of the liquidity currently available to Cavenham is in the U.K., whereas it has substantial short term borrowings overseas. Apart from its large unsecured borrowings, some £22m of foreign loan capital is repayable this year, and in the later 1970s the annual figure will be £10m, or more.

GA's cash can only be liberated by a bid for the minority and the proposed terms do not, after all, appear to be unduly generous to Cavenham's controlling shareholder, Générale Occidentale. The block of GA shares recently acquired by GO is being passed on at cost; GO appears to be taking a book loss on another block of shares in which it already had an indirect interest; and the rest of the purchases relate to previous commitments which would have had to be honoured in any event. GO has undertaken to indemnify Cavenham in respect of any dollar premium liability on the Cavenham shares being issued, "an onerous liability." Net of everything, the cost to Cavenham is about £24m, and for that it is getting the outstanding 50 per cent of a company with overall earnings of £5.4m, net worth of £29m, and lots of cash.

Finally, Cavenham's 1975-76 earnings are up from £12.9m to £13.6m despite a decline in the U.K., and the dilution involved in the GA bid will be masked by the group's other recent deals. Pro forma earnings are put at 18.1p per share, and the yield at 13.2p is 6.2 per cent. The document pinpoints a weakness in the Cavenham

Index rose 1.7 to 417.2

BURMAH OIL



empire that was not apparent before, but the proposals themselves look acceptable.

Burmah Oil

The end-1975 balance sheet shows Burmah's problems to be little changed from a year ago; shareholders' funds have crept up from £313m to £338m, while the total debt is marginally higher at £507m. The figures could have been brought more up to date, however, for Burmah now has a firm internal estimate for its tanker liabilities and it is a sign of weakness that it has not felt able to make proper provision on these grounds among others. Meanwhile the group's hopes of being able to sell its North American interests for enough to clear its guaranteed dollar borrowings of \$554m, are fading. These interests only earned pre-interest profits of \$50m in 1975 (after \$10m of abortive exploration costs) and it seems inevitable that U.S. energy policy will continue to be uncertain until after the Presidential election. This makes the September deadline imposed by the Bank of England's support arrangements look onerous, though Burmah is still hoping to find a single buyer and is about to start discussions with "several" parties.

The potential need for sympathetic treatment by the Bank of any request for a further extension of the guarantees must be an important complicating factor in Burmah's deliberations over the forced sale of its BP stake in January 1976. After a lengthy legal discussion the Board has decided on a "course of action" and might even be prepared to consider an injunction to prevent any disposal of the shares by the Bank, the open court battle proposed by the shareholders' group could be an embarrassment if Burmah needs to raise the Bank's goodwill. A loss on the U.S. sale, together with the undisclosed tanker fleet could seriously erode already overstretched balance sheet.

See also Page 21

Alfred Herbert

Losses of £13.5m. in the months to December make a hole in the taxpayers' £250m equity-type finance for Alf Herbert, but although the group is still in the red it ought to be able to get by for a couple of years more without further finance. Operating and financial costs have been reduced, there have been substantial write-offs against working capital. In addition, capital spending remains very low, there is still £26.2m of the BP money to draw on, and there is a fresh disappointment then, it is that the accounts are always used to be.

See also Page 22

Wouldn't you like cost savings this big?

In 1975, London-based international insurance brokers Bland Payne completed a move of 500 office jobs from the City to Norwich.

Results:
1. Rent down from £10 per sq. ft. to £1.30.
2. Rates down from £6 per sq. ft. to 0.70p.
3. Staff turnover down from 25% to 9%.
4. Staff productivity increase — "startling"

If you would like to know the sort of cost savings you could expect by moving out of London, why not contact the Location of Offices Bureau? We are the best source of professional advice on moving office jobs out of London. We have helped with more than 140,000 job moves in 12 years.

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East Africa Community loans halted

BY DAVID BELL

WASHINGTON, May 11.

THE WORLD BANK has taken the highly unusual step of suspending all further payments on \$50m. worth of loans to the East African Community, apparently because Uganda is refusing to pay its share of the Community's debt to the bank.

Informed sources in Washington confirmed today that the failure of Uganda to keep up its share of the repayments had been a major factor in the bank's decision. They said that it was not clear whether the Ugandan non-payment was for political or economic reasons.

Uganda is a partner with Kenya and Tanzania in the East African Community, which administers a common rail, harbour and telecommunications network in the three countries and the highly successful East African Development Bank.

Strained relations

Relations among the three members have been strained for some time, but Kenya and Tanzania are understood to have stepped up their bank repayments recently.

The bank declined to comment on the charge made by Mr. Davidson Ngini, director of Kenyan railways, in Nairobi today that the loans had been suspended because Uganda had not

repaid its share of the \$700,000 outstanding.

It has not lent to Uganda since 1971, after dissatisfaction with its development procedures, but loans to the Community have been guaranteed by all three members jointly and severally. Some of the money outstanding has been due since February.

Bank officials could not remember the last time that the bank suspended loan payments for delay in repayment, but the bank said that if unreasonable delay occurred it had no choice but to act in this way to protect its position in world capital markets.

"There has never been a major default in the history of the bank," he said.

It became clear today that the bank acted with the greatest reluctance because it has always enjoyed very good relations with Kenya and Tanzania and has lent the two countries \$1bn. over the years.

It said that while it was continuing to appraise projects for the two countries individually — as opposed to their involvement in the Community — no new loan approvals were expected to be made to either country in the present situation.

France reaffirms aid, Page 6

UNLTD criticism, Page 7

Weir wins £40m. plant contract

BY LORNE BARLING

WEIR WESTGARTH, a Weir Group subsidiary, is to build a £40m. salt water purification plant on the Persian Gulf as part of a £220m contract won by a West German-led consortium.

The company said yesterday that it was the biggest contract it had signed and much of the sub-contracting work was expected to be done in the U.K., some by other Weir Group companies.

The consortium, led by Kraftwerk Union AG, of Offenbach, has agreed to build an oil-fired power station and desalination plant at Jeddah, Qatar, for completion in 42 months. The work by Weir will be finished in 34 months.

The plant is similar to others,

where steam from an oil-fired power station is used by the desalination plant in a totally integrated operation," Weir said. The company is working already on a £30m. plant in the Middle East.

"The contract is worth £40m. in Saudi riyals at current exchange rates and the currency is hard at present," the company said.

The Qatar plant will be powered by four 80 MW power plants, with the boilers being supplied by Deutsche Babcock. They have a desalination capacity of 80,000 tons of seawater a day. The plant is due to start up in 1979.

Continued from Page 1

Journalists row

Trades Council declared this week that only members of the union would be admitted to its meetings.

Both sides in the Daily Telegraph dispute will meet at the London offices of the Advisory Conciliation and Arbitration Service this afternoon after separate talks there with officials yesterday. The move came as signs of support for the journalists' strike increased from both the NUJ and elsewhere.

Yesterday afternoon, members of the National Society of Operative Printers, Graphical and Media Personnel (NATOPAG) editorial assistants' chapel (office section), who are responsible for the distribution of copy, decided that no work normally handled by NUJ members would be accepted from other sources — Institute or non-union — while the dispute continues.

This came after an appeal from the NUJ for support from other unions.

A meeting of fathers (chairmen) of other Fleet Street NUJ chapels yesterday decided to ask their members to support Daily Telegraph journalists in

picket action and subscribe to a levy. Token strike action may also be urged in some offices.

The call from the NUJ for support in the Daily Telegraph action is also likely to be discussed today by the executive of the National Graphical Association.

Journalists working for London news agencies have been called to a meeting of their branch this evening to discuss support action.

The agencies branch committee yesterday substituted this action for a ballot of Press Association members which was to have taken place today.

Production of today's Daily Telegraph had not started at midnight, but a management spokesman said he had "every confidence" that later editions would be appearing.

This morning's editions of the Sun contain a blank space on an inside page, where a photograph should have appeared, because of a dispute involving members of the Society of Lithographic Artists, Designers Engravers and Process Workers (SLADE) who are responsible for making picture blocks.

Cavenham in French control deal

By Michael Lafferty

CONTROL of Cavenham, the international food business headed by Mr. Jimmy Goldsmith, is to pass into the hands of Générale Occidentale, the French company of which Mr. Goldsmith is chairman, under the terms of reorganisation proposals published today.

The proposals concern the acquisition by Cavenham of 40 per cent of Générale Alimentaire (GA), the French food manufacturing group, which it does not yet effectively control. Because exchange control problems, Cavenham is not making a direct offer for the outstanding GA shares. Instead, Générale Occidentale has agreed to acquire the publicly-held GA shares and to pass them on to Cavenham in exchange for Cavenham shares.

Profits up

In the document containing the proposals, Cavenham forecasts pre-tax profits for the year ending April 3, 1976, of £24m, compared with £27m last year. GA is forecasting profits for the same period of £8.7m, against £2.3m in 1975.

A particular feature of the deal is Cavenham's policy to ensure that it maintains a sound balance between foreign currency borrowing and available foreign funds. This is the reason given for Cavenham's decision not to finance an offer for the GA shares through foreign borrowings.

Cavenham explains that it is effectively raising foreign loans by the issue of shares, which will enable it to devote its U.K. resources to new capital investment. Accordingly, it will be allowed to increase its dividend for the period to April, next year, to 5.3p per share net — an increase of 25.6 per cent over the maximum permitted for this year.

Mr. Goldsmith has confirmed that Générale Occidentale intends to seek a quotation soon on the London Stock Exchange.

News Analysis Page 8

More State control proposed

By Peter Hennessy, Lobby Correspondent

THE LABOUR PARTY'S National Executive Committee today will consider a controversial policy document prepared by its home policy sub-committee urging a sweeping extension of State control over industry and the economy.

Mr. James Callaghan, the Prime Minister, will attend the all-day meeting and is expected to quote Treasury estimates of the proposals, which indicate that if adopted as Government policy, it would add between £40m. and £50m. to present estimates of public spending by 1980.

The document proposes widespread import controls to protect the home market and a new industry Bill which would establish a central planning Commission along French lines.

The Bill would also provide the National Enterprise Board with the right to conclude compulsory planning agreements with companies, take shareholdings in companies with or without their approval, replace directors, and install a public trustee in companies which had failed to fulfil what the NER saw as their commitments to the community.

The NEC will not complete its study of the 50,000 word document until its meeting on May 26. Its contents will probably be released two days later as a supplement to Labour Weekly.

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Editorial comment, Page 18